

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

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

Public offer of 15,000,000 ordinary shares

Issue date of the Prospectus:

Offer price Tk. 10.00 each (at par), total size of fund to be raised Tk.150,000,000.00

Opening and closing date of subscription

Opening date of subscription:

Closing date of subscription:

PROSPECTUS

Name of Issuer



Oimex Electrode Limited

Registered Office: 225/1, New Elephant Road (1st Floor), Dhaka, 1205

Tel: +88-02-9665272, 9660236 Fax: +88-02-9661252

Email: contact@oimexelectrodes.com, Web: www.oimexelectrodes.com

Name of Issue Manager



MTB Capital Limited

MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000

Phone: +88-02-8321714, Fax: +88-02-8321543

Email: info.mtbcap@mutualtrustbank.com

Web: www.mtbcap.com

(2) (a) Preliminary information and declarations:

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

Name & Address	Contact Person	Telephone & Fax	Email & Web
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Issuer Company

Oimex Electrode Limited 225/1, New Elephant Road (1st Floor) Dhaka-1205	M A Maleque Managing Director	P: +88-02-9665272 F: +88-02-9661252	Email: contact@oimxelectrodes.com, Web: www.oimxelectrodes.com
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Issue Manager

MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Md. Kamrujjaman Manager Public Issue & Corporate Advisory & FAVP	P: +88-02-8321714 F: +88-02-8321543	Email: k.jaman@mutualtrustbank.com Web: www.mtbcap.com
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Underwriters

MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Khairul Bashar Abu Taher Mohammed Chief Executive Officer & EVP	P: +88-02-8321714 F: +88-02-8321543	Email: khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com
Uttara Finance & Investments Ltd. JBC Tower (6th Floor) 10 Dilkusha, C.A. Dhaka-1000	S.M. Shamsul Arefin Managing Director & CEO	P: +88-02-9568207 F: +88-02-9552461	Email: info@uttrafinance.com Web: www.uttrafinance.biz
NBL Capital & Equity Management Ltd. Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000,	Kamrun Nahar Chief Executive Officer	P: +88-02-7118974 F: +88-02-7118840	Email: cemd@nblbd.com

Auditor

 AHMAD & AKHTAR Chartered Accountants BCIC Bhaban (3rd Floor) 30-31, Dilkusha, C/A, Dhaka-1000 A Correspondent Member Firm of  Russell Bedford International, UK.	Kanchi Lal Das FCA Partner	P: +880 2 9561289 F: +880 2 9564366	Email: aacano120@gmail.com Web: www.russellbedford.com
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- (ii) A person interested to get a prospectus may obtain from the issuer, and the issue manager.

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

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

(v) "This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is Tk. 10.00 (ten) and the issue price is Tk.10 at face value. The issue price has been determined and justified by the issuer and the issue manager as stated under the paragraph on "Justification of Issue Price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) "Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page numbers 84 to 90. "

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

(b) Availability of Prospectus:

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

Name & Address	Contact Person	Telephone & Fax	Email & Web
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Issuer Company

Oimex Electrode Limited 225/1, New Elephant Road (1st Floor) Dhaka-1205	M A Maleque Managing Director	P: +88-02-9665272 F: +88-02-9661252	Email: contact@oimexelectrodes.com, Web: www.oimexelectrodes.com
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Issue Manager

MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Md. Kamrujjaman Manager Public Issue & Corporate Advisory & FAVP	P: +88-02-8321714 F: +88-02-8321543	Email: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com
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Underwriters

MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Khairul Bashar Abu Taher Mohammed Chief Executive Officer & EVP	P: +88-02- 8321714 F: +88-02-8321543	Email: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com
Uttara Finance & Investments Ltd. JBC Tower (6th Floor) 10 Dilkusha, C.A. Dhaka-1000	S.M. Shamsul Arefin Managing Director & CEO	P: +88-02-9568207 F: +88-02-9552461	Email: info@uttrafiance.com Web: www.uttrafiance.biz
NBL Capital & Equity Management Ltd. Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000,	Kamrun Nahar Chief Executive Officer	P: +88-02-7118869 F: +88-02-7118840	Email: cemd@nblbd.com

Stock Exchange

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000	P: +88-02-9564601, 9576210-18 F: +88-02-9564727, +88-02-9569755	Email: reasearch@dsebd.org Web: www.dsebd.org
Chittagong Stock Exchange Ltd. (CSE) CSE Building, 1080 Sk. Mujib Road Agrabad C/A, Chittagong	P: +88-031-714632-3 F: +88-031-714101	Email: jabed@cse.com.bd Web: www.cse.com.bd

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) and at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) Name and date of newspapers where abridged version of prospectus was published:

Sl#	Name of newspapers	Date of publication
01		
02		
03		
04		

(i) Definition and acronyms/ elaborations

Acronym		Elaboration
AGM	:	Annual General Meeting
Allotment	:	Letter of allotment for shares
BO A/C	:	Beneficial owner account or Depository account
BAS	:	Bangladesh Accounting Standard
BDT	:	Bangladeshi Taka
BSEC	:	Bangladesh Securities and Exchange Commission
CDBL	:	Central Depository Bangladesh Ltd.
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
EPS	:	Earnings per share
FC Account	:	Foreign currency account
IPO	:	Initial public offering
Issue	:	Public issue
Issuer	:	Oimex Electrode Limited
MTBCL	:	MTB Capital Limited
NAV	:	Net asset value per share of the Company
NRB	:	Non-resident Bangladeshi
OEL	:	Oimex Electrode Limited
Offering Price	:	Price of the Securities of Oimex Electrode Limited being offered
P/E	:	Price earnings ratio
Registered Office	:	Head office of the Company
RJSC	:	Registrar of Joint Stock Companies & Firms
Securities	:	Shares of Oimex Electrode Limited
Share Market	:	Market of the Securities
Sponsors	:	The Sponsor shareholders of Oimex Electrode Limited
Subscription	:	Application money
The Company	:	Oimex Electrode Limited
VAT	:	The value added tax

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(I) EXECUTIVE SUMMARY

(a) About the industry:

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 technology advancements and substantial growth in the end-use industries. The key end-use industries driving the Bangladesh welding consumables market include-

- Shipyards, marine equipment, container, heavy duty machinery, automotive, manufacturers and repairs.
- Steel construction, construction & infrastructure contractors, defense contractors.
- Waste management, petrochemical, oil and gas industry.

The Bangladesh welding industry comprises various large, medium, and small-scale companies. The key competitors of this industry are Linde Bangladesh Limited, Oimex Electrode Limited, BD Welding Limited, Jamuna Welding Electrode Limited, Navana Welding Electrode Limited, etc. The key market players have developed their own distribution networks, as distribution is a critical success factor in this industry.

(b) About the Issuer:

Oimex Electrode Limited was established in September 18, 2005 as a private limited company under the companies Act 1994 and subsequently converted into a public limited company on August 25, 2014. The corporate office of the company is situated at 225/1, New Elephant Road (1st Floor), Dhaka, 1205. The factory is located at Pipulbaria, Daulatpur, Kushtia, Bangladesh.

The Company is engaged in manufacturing and marketing of welding electrodes, G. I. Wire and Parek (Nail). The core markets for the product of the Company are engineering workshop, developer companies and other local customers.

(c) Summary of financial information:

Particulars	30-06-16	30-06-15	30-06-14	30-06-13	30-06-12
	Taka	Taka	Taka	Taka	Taka
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Gross profit	121,616,363	114,828,858	33580254	26,174,171	15,739,695
Net profit before tax	96,294,637	92,300,266	18,267,848	12,968,932	3,907,080
Net profit after tax	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925
Total assets	666,207,063	496,763,012	232,121,367	213,416,849	82,886,599
Share capital	308,920,000	82,000,000	1,000,000	400,000	400,000
Retained earnings	150,355,992	86,149,224	27,230,428	15,356,327	1,428,506
No. of shares	30,892,000	8,200,000	100,000	40,000	40,000
Face value	10.00	10.00	10.00	10.00	10.00
NAV per share	14.87	20.51	282.30	393.91	45.71
Earnings per share (Basic)	2.44	8.90	118.74	202.64	61.05

(d) Features of the issue and its objects:

Oimex Electrode Limited is engaged in manufacturing and marketing of welding electrodes, G. I. Wire and Nail (Parek). The Company intends to issue 15,000,000 ordinary shares of Tk.10.00 each (at par) through initial public offering (IPO) totaling to Tk.150,000,000.00 subject to the regulatory approvals.

Net proceeds from the IPO will be used for procuring capital plant and machineries to expansion of its business and to purchase raw material for the expanded capacity. It is detailed at page 95 to 97.

(e) Legal and other Information:

Oimex Electrode Limited was incorporated in September 18, 2005 as a private limited company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-59061/(1067)/05 under the companies Act 1994. It was subsequently converted into a public limited company on August 25, 2014. The Company has licenses and certificates like - TIN Certificate, VAT Certificate, Trade License, Membership of Kushtia Chamber of Commerce and Industries, Import Registration Certificate, Fire License, ISO 9001:2008, permission of Board of Investment, Certificate from Kolkarkhana Audhidaptar, Environmental Clearance Certificate etc.,

(f) Promoters' background:

The following two persons are the promoters of Oimex Electrode Limited:

(1) Mr. Khairun Nesa Lucky, daughter of Mrs. Zohura Abdullah & Late M M Abdullah and wife of M A Maleque, was born in a respectable Muslim family in Mohammadpur, Dhaka. She is one of the sponsor directors of the company having more than 20 years of experience in service and business. Mrs. Lucy obtained M. Sc. degree from the University of Dhaka. She he is the chairman of finance committee of the company.

(2) M A Maleque, son of late Mahbuba Khanoom & late M. A. Khaleque was born in a very respectable Muslim family in Mohammadpur, Dhaka. 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 23 years in the industry and has sound knowledge and technical quality in the relevant area. Mr. Maleque is involved in many social and cultural organizations.

(g) Capital structure and history of capital raising:

The present capital structure of the company is as under:

Particulars	No. of shares	Face value in BDT	Amount in BDT
Authorized capital	50,000,000	10.00	500,000,000
Paid-up capital	30,892,000	10.00	308,920,000
Total paid-up capital before IPO (A)	30,892,000	10.00	308,920,000
Initial public offering (IPO) (B)	15,000,000	10.00	150,000,000
Paid-up capital after IPO (A+B)	45,892,000	10.00	458,920,000

The history of capital raising of Oimex Electrode Limited (OEL) is as follows:

Allotments	No. of shares	Face value	Consideration		Amount in BDT
			For cash	Other than cash	
As per Memorandum	40,000	10.00	400,000	-	400,000
December 20, 2013	60,000	10.00	600,000	-	600,000
July 20, 2014	2,800,000	10.00	28,000,000	-	28,000,000
October 09, 2014	5,300,000	10.00	53,000,000	-	53,000,000
August 24, 2015	21,082,000	10.00	210,820,000	-	210,820,000
June 30, 2016	1,610,000	10.00	16,100,000	-	16,100,000
Total	30,892,000		308,920,000	-	308,920,000

The company changed the denomination of its shares from Tk.100.00 to Tk.10.00 each on February 02, 2014.

(h) Summary of valuation report of securities:

Methods followed		Amount in BDT
Method-1:	Net assets value per share	14.87
Method-2:	Historical earning based value per share	25.50
Method-3	Average market price per share of similar stocks	143.86

(II) CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

Disclosure in respect of issuance of security in Dematerialized Form:

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

Conditions imposed by the Commission in the Consent Letter:

PART-A

1. The Company shall go for Initial Public Offer (IPO) for 1,50,00,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 15,00,00,000.00 (Taka fifteen crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.

2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the

Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.

3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.

5. The following declaration shall be made by the company in the prospectus, namely: -

"Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

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

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

6. All applicants shall apply for a minimum lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.

7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্থ ক্ষদ্র বিনিয়োগকারী. In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.**
9. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.**
11. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**
12. **The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within 24 (Twenty Four) hours of allotment.**
13. **Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.**
14. **If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.**
15. **The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.**
16. **The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.**

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.

7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;

16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
4. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
 - (a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
 - (b) **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
 - (c) **Whether utilization of IPO proceeds have been completed within the time schedule/ implementation schedule as specified in the published prospectus;**
 - (d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and**
 - (e) **The auditors should also confirm that: (i) assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**
5. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s) and used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders' meeting under intimation to the Commission and the Exchanges.
7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

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

(III) DECLARATION AND DUE DILIGENCE CERTIFICATES

Annexure- A

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the prospectus

[See rule 4 (1)(d)]

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

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

Sd/-
Mrs. Khairun Nesa Lucky
Chairman

Sd/-
Md. Abu Taleb
Independent Director

Sd/-
Mrs. Nawshin Tasnim
Director

Sd/-
Dr. M. Farid Ahmed
Independent Director

Sd/-
M A Maleque
Director & Managing Director

Due diligence certificate by issue manager

To
The Bangladesh Securities and Exchange Commission

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

Dear Sir,

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

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

WE CONFIRM THAT:

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

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (Five) years:

Issuer company	Issue Month/ Year	Issue Price	Dividend Payment History	
			2014	2015
Zaheen Spinning Limited	November, 2015	Tk.10.00 each (at par)	15% stock dividend	15% stock dividend declared but AGM not yet held

Place: Dhaka
Date: August 30, 2016

Sd/-
Khairul Bashar Abu Taher Mohammed
Chief Executive Officer & EVP
MTB Capital Limited

Due Diligence Certificate by the Underwriter(s)

To
The Bangladesh Securities and Exchange Commission
Sub: Public offer of 15,000,000 Ordinary Shares of Tk. 10.00 of Oimex Electrode Limited

Dear Sir,

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

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Taka two hundred fifty million) and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (Taka one billion two hundred fifty million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 35,000,000.00 (Taka thirty five million) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

(Name of the issue and amount underwritten)

Sl. No.	Name of the issue	Amount underwritten (in Tk.)
i)	Summit Shipping Limited	52,500,000.00
ii)	SBS Cables Limited	13,600,000.00
iii)	Pacific Denims Limited	56,250,000.00
iv)	Madina Cement Industries Limited	78,375,000.00
v)	IDLC Finance Ltd.	50,000,000.00
vi)	Silco Pharmaceutical Ltd.	26,250,000.00
vii)	Oimex Electrode Limited	35,000,000.00
viii)	Bashundhara Paper Mills Limited	50,000,000.00
ix)	AB Bank Limited-Rights issue	100,000,000.00
Total		461,975,000.00

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Khairul Bashar Abu Taher Mohammed
Chief Executive Officer & EVP
MTB Capital Limited
Date: August 28, 2016

Due Diligence Certificate by The Underwriter(S)

To
The Bangladesh Securities and Exchange Commission
Sub: Public offer of 15,000,000 Ordinary Shares of Tk. 10.00 of Oimex Electrode Limited

Dear Sir,

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

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

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 1,252,204,800.00 (Taka one billion two hundred fifty two million twenty thousand forty eight hundred) and we have the capacity to underwrite a total amount of Tk. 6,261,024,000.00 (Taka six billion two hundred sixty one million twenty four thousand) as per relevant legal requirements. We have committed to underwrite for up to Tk. 8,750,000.00 (Taka eight million seven hundred fifty thousand) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

(Name of the issue and amount underwritten)

Sl. No.	Name of the issue	Amount underwritten (In Tk.)
i)	Sunflower Life Insurance Company Ltd.	10,000,000.00
ii)	Oimex Electrode Limited	8,750,000.00
Total		18,750,000.00

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
S. M. Shamsul Arefin
Managing Director & CEO
Uttara Finance & Investments Limited
Date: August 28, 2016

Due Diligence Certificate by the Underwriter(s)

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 15,000,000 Ordinary Shares of Tk. 10.00 each (at par) of Oimex Electrode Limited.

Dear Sir,

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

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

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at **Tk.250,000,000** (Taka Two hundred fifty million) and we have the capacity to underwrite a total amount of **Tk.1,250,000,000** (Taka one thousand two hundred fifty million.) as per relevant legal requirements. We have committed to underwrite for up to **Tk. 8,750,000** (Taka eight million seven hundred fifty thousand) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

(Name of issue and amount underwritten)

Sl. No.	Name of the company	Amount underwritten (in Tk.)
i)	Aftab Hatchary Limited	12,600,000/-
ii)	STS Holdings Limited	20,000,000/-
iii)	Dhaka Regency Hotel & Resort Limited	21,000,000/-
iv)	AB Bank Limited	300,000,000/-
v)	IFIC Bank Limited	200,000,000/-
Total		667,000,000/-

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Kamrun Nahar

Chief Executive Officer

NBL Capital and Equity Management Ltd.


Place: Dhaka,

Date: August 28, 2016

(IV) ABOUT THE ISSUER

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

Particulars of the Company:


Particulars		Description
Name of the issuer	:	Oimex Electrode Limited
Date of incorporation	:	September 18, 2005
Date of commencement of its commercial operations	:	March 21, 2010
Issuer's logo	:	
Addresses of its registered office	:	225/1, New Elephant Road (1st Floor), Dhaka, 1205.
Address of the factory	:	Pipulbaria, Daulatpur, Kushtia, Bangladesh
Telephone number	:	+88-02-9665272, 9660236
Fax number	:	+88-02-9661252
Contact person:	:	M A Maleque , Managing Director
Website address	:	www.oimexelectrodes.com
Email address:	:	contact@oimexelectrodes.com

b) The names of the sponsors and directors of the issuer;

The names of the sponsors of the issuer	:	i) Mrs. Khairun Nesa Lucky ii) M A Maleque
The names of directors of the issuer	:	i) Mrs. Khairun Nesa Lucky ii) M A Maleque iii) Mrs. Nawshin Tasnim iv) Md. Abu Taleb v) Dr. M. Farid Ahmed

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

Particulars of the Auditor:

Particulars		Description
Name of the auditor	:	AHMAD & AKHTAR, Chartered Accountants
Issuer's logo	:	
Addresses of the auditor	:	BCIC Bhaban (3rd Floor), 30-31, Dilkusha, C/A, Dhaka-1000.
Telephone number	:	+880 2 9561289
Fax number	:	+880 2 9564366
Contact person:	:	Kanchi Lal Das FCA , Partner
Website address	:	www.russellbedford.com
Email address:	:	aacano120@gmail.com

d) Name of the Stock Exchanges where the specified securities to be listed.

Stock Exchanges	:	i) Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 Web: www.dsebd.org
	:	ii) Chittagong Stock Exchange Ltd. (CSE) CSE Building, 1080 Sk. Mujib Road Agrabad C/A, Chittagong	Tel: +880-2-9513911-15 Fax: +880-2-9513906 Web: www.cse.com.bd

(V) CORPORATE DIRECTORY OF THE ISSUER

Company Name	:	Oimex Electrode Limited
Legal position	:	Oimex Electrode Limited was incorporated in September 18, 2005 as a private limited company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-59061/(1067)/05 under the companies Act 1994. It was converted into a public limited company on August 25, 2014.
Date of incorporation	:	September 18, 2005
Authorized capital	:	Tk. 500,000,000/-
Paid-up capital	:	Tk. 308,920,000/-
Registered and Corporate Office	:	225/1, New Elephant Road (1st Floor), Dhaka, 1205
Manufacturing plant/factory	:	Pipulbaria, Daulatpur, Kushtia
Board of directors	:	i) Mrs. Khairun Nesa Lucky ii) M A Maleque iii) Mrs. Nawshin Tasnim iv) Md. Abu Taleb v) Dr. M. Farid Ahmed
Issue manager	:	MTB Capital Limited MTB Tower (Level-3), 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000
Auditor	:	AHMAD & AKHTAR Chartered Accountants BCIC Bhaban (3rd Floor) 30-31, Dilkusha, C/A, Dhaka-1000 Tel: +880 2 9561289 Fax: +880 2 9564366 Email: aacano120@gmail.com
Lead banker	:	Mutual Trust Bank Limited
Compliance officer of issuer	:	Md. Nasir Uddin DGM & Company Secretary

(VI) DESCRIPTION OF THE ISSUER

(a) Summary:

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

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 technology advancements and substantial growth in the end-use industries. The key end-use industries driving the Bangladesh welding consumables market include-

- Shipyards, marine equipment, container, heavy duty machinery, automotive, manufacturers and repairs.
- Steel construction, construction & infrastructure contractors, defense contractors.
- Waste management, petrochemical, oil and gas industry.

The Bangladesh welding industry comprises various large, medium, and small-scale companies. The key competitors of this industry are Linde Bangladesh Limited, Oimex Electrode Limited, BD Welding Limited, Jamuna Welding Electrode Limited, Navana Welding Electrode Limited, etc. The key market players have developed their own distribution networks, as distribution is a critical success factor in this industry.

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

Oimex Electrode Limited has no subsidiary, associate of holding company. So consolidation is not applicable.

(b) General Information:

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

Name of the issuer	:	Oimex Electrode Limited
Addresses of registered & corporate head office	:	225/1, New Elephant Road (1st Floor), Dhaka, 1205.
Address of the factory	:	Pipulbaria, Daulatpur, Kushtia, Bangladesh
Telephone number	:	+88-02-9665272, 9660236
Fax number	:	+88-02-9661252
Business premises	:	Both the factory and the head office.
Outlets	:	The products are distributed from the factory to customers. It has no outlets.

(ii) The board of directors of the issuer;

SI#	Name	Age	Qualification	Experience	Position
1	Mrs. Khairun Nesa Lucky	51 Years	M Sc	22 Years	Chairman
2	M A Maleque	51 Years	B Ag (Eco)	23 Years	Director & Managing Director
3	Mrs. Nawshin Tasnim	22 Years	BBA	2 Years	Director
4	Md. Abu Taleb	56 Years	M Com	29 Years	Independent Director
5	Dr. M. Farid Ahmed	63 Years	Ph. D	36 Years	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and Email addresses of the chairman, managing director, whole time directors, etc. of the issuer;

Sl#	Name	Position	Address	Telephone and Fax numbers	Email address
01	Mrs. Khairun Nesa Lucky	Chairman	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	T:+88-02-9665272, +88-02-9660236 F:+88-02-9661252	contact@oimxelectrodes.com
02	M A Maleque	Managing director	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka		
03	Mrs. Nawshin Tasnim	Director	House: 2/6, Shajahan Road Mohammadpur, Dhaka		
04	Md. Abu Taleb	Independent director	4/3, South Kalyanpur Estern Housing Project-2, Dhaka		
05	Dr. M. Farid Ahmed	Independent director	27/19 K. M. Das Lane, Tikatuly, Dhaka-1203.		

(iv) Names, addresses, telephone numbers, fax numbers and Email addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

Position	Name, address and others
CFO	Md. Ikramul Islam 225/1, New Elephant Road (1st Floor), Dhaka, 1205 Tel: +88-02-9665272, 9660236 Email: contact@oimxelectrodes.com
Company secretary	Md. Nasir Uddin 225/1, New Elephant Road (1st Floor), Dhaka, 1205 Tel: +88-02-9665272, 9660236 Email: nasiroimex1@gmail.com
Legal advisor	: N/A
Auditor	AHMAD & AKHTAR Chartered Accountants BCIC Bhaban (3rd Floor) 30-31, Dilkusha, C/A, Dhaka-1000 Tel:+880 2 9561289 Fax: +880 2 9564366 Email: aacano120@gmail.com
Compliance officer	Md. Nasir Uddin 225/1, New Elephant Road (1st Floor), Dhaka, 1205. Tel:+88-02-9665272, 9660236 Email: nasiroimex1@gmail.com

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and Email addresses of the issue manager(s), registrar to the issue etc;

Name of the issue manager	: MTB Capital Limited
Addresses of its registered office	: MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000
Telephone number	: +88-02-8321714 Ext: 6311
Fax number	: +88-02-8321543
Contact person:	: Md. Kamrujjaman Manager Public Issue & Corporate Advisory & FAVP
Website address	: www.mtbcap.com
Email address	: k.jaman@mutualtrustbank.com

(vi) Details of credit rating:

The company has not yet conducted any credit rating.

(vii) Details of underwriting:

a) The names, addresses, telephone numbers, fax numbers, contact persons and email addresses of the underwriters and the amount underwritten by them;

Name and address	Contact person	Telephone & fax number and email address	Amount Underwritten (BDT)
MTB Capital Limited MTB Tower (Level-3) 111 Kazi Nazrul Islam Avenue Bangla Motor, Dhaka-1000	Khairul Bashar Abu Taher Mohammed Chief Executive Officer & EVP	T: +88-02- 8321714 F: +88-02-8321543 E:Khairul.bashar@mutualtrustbank.com Web: www.mtbcap.com	35,000,0000
Uttara Finance & Investments Ltd. JBC Tower (6th Floor) 10 Dilkusha, C.A. Dhaka-1000	S.M. Shamsul Arefin Managing Director & CEO	Tel: +88-02-9568207 Fax: +88-02-9552461 Email: info@uttrafiance.com Web: www.uttarafinance.biz	8,750,000
NBL Capital & Equity Management Ltd. Printers Building (8th Floor) 5 Rajuk Avenue, Dhaka-1000	Kamrun Nahar Chief Executive Officer	Tel: +88-02-7118974 Fax: +88-02-7118840 Email: cemd@nblbd.com	8,750,000

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations which are disclosed in section (iii) under Due Diligence Certificate by The Underwriter(S) page number 20-22.

c) Major terms and conditions of the underwriting agreements.

- (i) The Company shall issue **15,000,000** Ordinary Shares of Tk. **10.00** per share for public subscription publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provision of this Agreement.
- (ii) As per guideline of the Bangladesh Securities and Exchange Commission, 35% of the IPO (i.e; for Tk. 52,500,000.00) shall have to be underwritten by the underwriters, subject to the terms stated as follows:
The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of subscription closer), if any of the following events occur:
 - a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or
 - b) At least 65% of the IPO is not subscribed.
- (iii) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission **0.50% (zero point five zero percent)** on the amount underwritten.
- (iv) If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten) days** of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen) days** after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/ Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/ Bank Draft has been encashed and the Company's share subscription account credited.

In any case within **7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/ Issuer will be under no obligation to pay any underwriting commission under this Agreement.

(c) Capital Structure:

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

Particulars	No. of ordinary shares	Nominal price	Issue price	Amount in BDT
Before IPO:				
Authorized capital	50,000,000	10	10	500,000,000
Issued, subscribed and paid-up capital	30,892,000	10	10	308,920,000
Total paid up capital before IPO (A)	30,892,000	10	10	308,920,000
After IPO:				
To be issued as IPO (B)	15,000,000	10	10	150,000,000
Paid-up capital (Post IPO) (A+B)	45,892,000	10	10	458,920,000

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

Sl#	Date of allotment	Form of consideration	No. of shares	Amount in BDT
01	18 September 2015(date of incorporation)	Cash	40,000	400,000
02	December 20, 2013	Cash	60,000	600,000
03	July 20, 2014	Cash	2,800,000	28,000,000
04	October 09, 2014	Cash	5,300,000	53,000,000
05	August 24, 2015	Cash	21,082,000	210,820,000
06	June 30, 2016	Cash	1,610,000	16,100,000
Total			30,892,000	308,920,000

The Company has changed the face value of its ordinary shares from Tk.100.00 each to Tk.10.00 each on February 02, 2014. All shares are considered @ Tk. 10.00 each for smooth calculation and presentation.

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

Particulars			%	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (BDT)
Initial public offerings under fixed price method	Eligible investors (EIs)	Mutual Funds	10%	1,500,000	10.00	10.00	15,000,000
		Other EIs	40%	6,000,000	10.00	10.00	60,000,000
	General public	NRB	10%	1,500,000	10.00	10.00	15,000,000
		Others*	40%	6,000,000	10.00	10.00	60,000,000
Total			100%	15,000,000			150,000,000

Other*: 6,000,000 ordinary shares will be reserved for general public and small affected investors.

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

Particulars	Before the present issue	After the present issue
Paid-up capital	Tk. 308,920,000	Tk.458,920,000
Convertible instruments	Nil	Nil
Share premium	Nil	Nil

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

Sl. No.	Category of Shareholders	Before the present issue		After the present issue	
		Ordinary shares	%	Ordinary shares	%
01	Sponsors & Directors	19,142,000	61.96%	19,142,000	41.71%
02	Institutional	6,804,000	22.03%	12,804,000	27.90%
03	Mutual fund	-	-	1,500,000	3.27%
04	Individual	4,946,000	16.01%	10,946,000	23.85%
05	NRBs	-	-	1,500,000	3.27%
	Total	30,892,000	100%	45,892,000	100%

The Company has no convertible instrument.

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

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

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

No shares have been allotted in terms of any merger, amalgamation or acquisition scheme.

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

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

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

There has no such transaction.

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

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

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

Name	Position	Date of allotment	No. of Ordinary shares	Face value & Issue Price	Consideration	Percentage (%)		Lock in Period*	% of pledged shares
						Pre-IPO	Pre-IPO		
Mrs. Khairun Nesa Lucky	Chairman	18.09.05	20,000	Tk.10	Cash	20.30%	13.66%	3 years	N/A
		20.07.14	850,000	Tk.10					
		09.10.14	1,900,000	Tk.10					
		24.08.15	3,500,000	Tk.10					
M A Maleque	Director & Managing Director	18.09.05	20,000	Tk.10	Cash	38.70%	26.00%	3 years	N/A
		20.07.14	1,034,000	Tk.10					
		09.10.14	3,400,000	Tk.10					
		24.08.15	7,500,000	Tk.10					
Mrs. Nawshin Tasnim	Director	24.08.15	830,000	Tk.10	Cash	2.97%	2.00%	3 years	N/A
		15.01.16	56,000	Tk.10					
		30.06.16	32,000	Tk.10					
Md. Abu Taleb	Independent Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Dr. M. Farid Ahmed	Independent Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A	N/A

* Lock-in period of shares starts from the issue date of Prospectus.

** On 15-01-2016 M A Maleque transferred 56,000 shares to Mrs. Nawshin Tasnim in cash consideration.

*** The shares were made fully paid-up within the stipulated time. And no shares are pledged with anybody.

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

Aggregate shareholding of the sponsors and directors:

Sl#	Name	Position	No. of ordinary shares	Face value & issue value	Percentage%	
					Pre-IPO	Post-IPO
01	Mrs. Khairun Nesa Lucky	Chairman	6,270,000	10	20.30%	13.66%
02	M A Maleque	Managing director	11,954,000	10	38.70%	26.00%
03	Mrs. Nawshin Tasnim	Director	918,000	10	2.97%	2.00%
04	Professor Dr. M. Farid Ahmed	Independent director	Nil	N/A	N/A	NA/
05	Md .Abu Taleb	Independent director	Nil	N/A	N/A	NA/

Transferred by the sponsor and/or by the directors of the issuer:

Date	Transferor		Transferee	
	Name	No. of ordinary shares	Name	No. of ordinary shares
15.01.2016	M A Maleque	56,000	Mrs. Nawshin Tasnim	56,000

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

Sl#	Name of shareholder	Address	Position	No. of shares	Amount in BDT	Percentage (%)
1	Mrs. Khairun Nesa Lucky	Shams Tower, 2/6 Shajahan Road Mohammadpur, Dhaka	Chairman	6,270,000	62,700,000	20.30%
2	M A Maleque	Shams Tower, 2/6 Shajahan Road Mohammadpur, Dhaka	Director & Managing Director	11,954,000	119,540,000	38.70%

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

No employees of Oimex Electrode Limited own its shares except the managing director and company secretary as mentioned below:

Sl#	Name of Shareholders	Designation	Shareholding	Amount (BDT)	Percentage (%)
01	M A Maleque	Managing Director	11,954,000	119,540,000	38.70%
02	Md. Nasir Uddin	DGM & Company Secretary	10,000	100,000	0.03%

(d) Description of Business:

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

Oimex Electrode Limited was incorporated in September 18, 2005 as a private limited company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-59061/(1067)/05 under the companies Act 1994. Subsequently it was converted into a public limited company on August 25, 2014.

Corporate information:

Particulars	Description
Date of incorporation as private limited company	September 18, 2005
Commencement of commercial operation	March 21, 2010
Conversion into public limited company	August 25, 2014
Denomination of face value from Tk. 100.00 to Tk. 10.00	February 02, 2014
Authorized capital	500.00 Million
Issued & paid-up capital	308.92 Million

The Company is engaged in manufacturing and marketing of welding electrodes, G.I. wire and Nail (Parek). Oimex Electrode Limited has no subsidiaries.

(ii) Location of the project;

The factory of Oimex Electrode Limited is situated at Pipulbaria, Daulatpur, Kushtia, Bangladesh.

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

Oimex Electrode Limited has been using sophisticated machineries and technology in order to produce high quality products. It gets competitive advantages over the competitors because of latest machineries, technology, cheap production cost and cheaper raw materials.

(iv) Details of the major events in the history of the issuer, including details of capacity/facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc;**a. Related to formation of the company:**

- Incorporated as a private limited company on September 18, 2005 having Registration No. C-59061/(1067)/05 under the Companies Act 1994, under the Registrar of Joint Stock Companies & Firms of Bangladesh.
- Converted into a public limited company on August 25, 2014
- Commercial operation started March 21, 2010.

b. Capacity/ facility creation, launching of plant, products, marketing:

- Installed capacity is 7,342 Metric tons/ year and actual production (annualized) is 6,600 Metric tons/ year in the present year that includes Welding Electrodes, G.I. Wire and Nail (Parek).
- The Company obtained ISO Certificate 9001:2008 on quality management from Bureau of Assessment Services.

c. Change in ownership and/ or key management personnel

- The company has 2 sponsors.
- Mrs. Nawshin Tasnim and Md. Abu Taleb have been appointed as director and independent director of the Company on 10-09-2015.
- Furuk Ahmed resigned from his directorship as on 15-01-2016.
- Dr. M. Farid Ahmed has been appointed as Independent directors of the company on 15-01-2016.

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

The principal activities of the company is manufacturing and marketing of Welding Electrodes of different grades, G.I. Wire and Nail (Parek) in the local market and it has no export sales.

Past Trends:

Last 5 years sales of the Oimex Electrode Limited-

Year	Amount in BDT
30.06.2016	410,164,512
30.06.2015	386,709,515
30.06.2014	126,540,200
30.06.2013	98,450,400
30.06.2012	95,161,392

The company does not have any export. All the sales are local sales.

Future prospects:

Overall demand of the industry products are increasing day by day. There is no available published data for future forecast but the company's own market survey states that the demand for the products of Oimex is also increasing with the increased demand of the market. For better quality and competitive price the company is in the advantageous position and has opportunity of expanding its project in future.

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

Sl#	Name of the product	Income of each product	Percentage of contribution
01	Welding Electrode	57,397,622	13.99%
02	G.I. Wire	141,439,095	34.48%
03	Nail (Parek)	211,327,795	51.52%

(vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;

Oimex Electrode Limited does not have any associates, subsidiary or holding company.

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

The company distributes its product to its customers from the factory through its own vehicle.

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

The following can be considered as competitors of the company:

Sl#	Name of competitors
01	Linde Bangladesh Limited
02	Bd Welding Electrodes
03	Oimex Electrode Limited
04	Navana Welding Electrode Limited
05	Jamuna Welding Electrode Limited
06	Hyder Machinery Electrodes Limited (ACL)
07	Import & others

*Source: There is no published data. The company conducted own marketing survey.

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

Main raw materials of Oimex Electrode Limited are Electrode grade wire rode, chemicals and galvanizing which the company procures from overseas market. The company has some trusted suppliers of its materials and chemicals. List of principal suppliers is as follows:

Sl#	Company Name	Address	Phone/Fax	E-mail No.
1	National Trade Corporation	Jagacha, G.I. P. Colony, Howrah-711112, India	91 9062114033	rajibbasuroychowdhury@gmail.com
2	Mercury Electrodes Mfg Co.	30D, Diamond Harbour Road, Kalkata 700060	919836688805	mercury@jaydurga.in
3	Parag Steel And Wire Industries	12, Rabindra Sarani, Kolkata-700001, India.	91 3322378248	parekeng@vsnl.com
4	Parekh Engineering Works Pvt. Ltd.	12, Rabindra Sarani, Kolkata-700 001	913322378248	parekheng@vsnl.com
5	Supermelt Ferro Alloys Pvt Ltd.	Siddha Park, 99A Park Street, 7 th Floor, Room No.7B, Kolkata, India.	033 40071771	supermeltferro@redifmail.com

6	Usha Welds Ltd.	209, 2nd Floor, Ranjan Plaza, Kankarbagh Main Road, 800020, Patna, India	971600522001	ushaarc89@yahoo.co.in
7	Asian Distribution Trade	11, Pollock Street, Kolkata-700 001, India.	91 2255 9646	sarafsk@hotmail.com
8	Excelex Biopolimers Pvt. Ltd.	1/7/264,SD Road, Emeral House, 6 th Floor, Secunderabad India.	91 40 27815930	customerservice@ex-bio.com
9	Tata Steel Limited	Tata Centre, 8 th Floor, 43,Chowringhee Road, Kolkata-,India.	91 3322882133	rahullal@tatasteel.com
10	Maruti Weld Ltd.	1-1, Kirti Nagar, New Dehi-110 015, India	9111 41424888	marutiweld@marutiweld.com
11	Peddington Lubrimetal Pvt. Ltd.	Office No-206, Sumer Kendra, Behind Mahindra Tower, 400018, Maharashtra, India	91-22-24910912	

Oimex has alternative options for purchasing raw materials. The company maintains good relationship with its raw material suppliers. If any supplier unable or disagree to supply raw materials then the company will go for next best alternative supplier(s) immediately.

(xi) Sources & requirement of power, gas, water & other utilities and contingency plan for disruption;

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

Power:

The company meets its required power from Rural Electrification Board (REB). The total sanctioned electricity load for Oimex is 500 KVA. Beside that the company maintains its own generator with a production capacity of 500 KVA. Oimex has procured a high power electric transformer for smooth supply of electricity

Gas: The Company does not require any gas.

Water:

The factory requires around 1,000 litter water per day to continue its operation. Required water is supplied by its 02 own dupe tube-wells and distilled water plants. Both of those are used regularly and alternatively.

(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products/services with amount and percentage thereof;

There is no such single customer who purchases 10% or more of the company's products.

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

Oimex Electrode Limited purchase raw materials from different suppliers and have no contractual agreement with any suppliers. The company purchase raw materials in normal course of business from the best supplier who has proven quality and price experience. Their supplied quantity changes from time to time. As of June 30, 2016 the following companies are supplier of 10% or more raw materials of Oimex Electrode Limited:

Sl#	Company Name	Address	Phone/Fax	E-mail No.
1	National Trade Corporation	Jagacha, G.I. P. Colony, Howrah-711112, India	91 9062114033	rajibbasuroychowdhury@gmail.com
2	Tata Steel Limited	Tata Centre, 8 th Floor, 43,Chowringhee Road, Kolkata-,India.	91 3322882133	rahullal@tatasteel.com
3	Maruti Weld Ltd.	1-1, Kirti Nagar, New Dehi-110 015, India	9111 41424888	marutiweld@marutiweld.com

(xiv) Description of the contract of the issuer with its principal suppliers or a declaration for no such contract duly signed by CEO/ MD, CFO and Chairman on behalf of Board of Directors;

There is no contract with any principle suppliers/ customers.

Declaration regarding Contract with Principal suppliers or customers

This is to certify that Oimex Electrode Limited does not have any contract with its principal suppliers or customers.

Sd/-

Md. Ikramul Islam
Chief Financial Officer

Sd/-

M A Maleque
Managing Director

Sd/-

Mrs. Khairun Nesa Lucky
Chairman
On behalf of board

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

SI #	Particulars	License Issuer/ Issuing Authority	Certificate/ license No.	Certificate Issue Date	Validity Status
01	Certificate of Incorporation	Register of Joint Stock Companies & Firms Bangladesh	C-59061/(1067)/05	18.09.2005	N/A
02	TIN Certificate	National Board of Revenue	001-201-9235/Co-1	22.06.2008	N/A
03	VAT Certificate	Custom, Exercise & VAT Commissionaret, Jessore	14161022190	24.12.2008	N/A
04	Trade License	13 No. Khalishakundi Union Porishad	13/2016-207	17.07.2016	30.06.17
05	Membership	Kushtia Chamber of Commerce & Industry	2742	15.02.2016	31.12.16
06	Import Registration Certificate	The Import & Export Control Bureau	৳ 0191377	07.10.2008	30.06.17
07	Fire License	Bangladesh Fire Service & Civil Defense, Kushtia	1695/2010-11	03.02.2013	30.06.17
08	ISO 9001:2008	Bureau of assessment services	AE-BAS-Q0002879	29.04.2015	28.04.18
09	Board of Investment	Industry project registration of local investmefnt	N/A	26.07.2006	N/A
10	NOC from local authority for factory building	NOC from the Chairman of Union Council for factory construction	N/A	20.11.2005	N/A
11	License for factory construction	License from Kalkarkhana Audhidaptar	663/ Kushtia	01.03.2016	30.06.17
12	Environmental Clearance Certificate	Environment Department, Khulna	22.02.4050.016.43.161.13-286	25.11.2015	20.09.16

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

The Company neither obtained any patent right/ trademarks or signed any royalty agreement with any party

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

The company had 256 employees as on June 30, 2016.

Part/Full Time	Number of Employees			
	Head Office		Factory	Total
Part time employees	-		67	67
Full time employee	12		175	189
Grand Total	12		242	256

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

(xviii) A brief description of business strategy;

Main business strategies of the company are:

Oimex has modern machineries and technology that ensures quality products. It is the cost leader for cheaper labor and special quality. We try to produce goods with cheap cost so that we can get competitive advantages over our competitors. We also believe in providing customized products to our customer as per their requirement so that we can get maximize our profit and market share of our products.

Diversification is a continuous process here and it produces different kinds of Welding Electrodes, G. I. Wire and Nail (Parek) for our existing and potential customers.

We maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers. We have ISO Certificate 9001:2008 (quality management) standards that are proven effective.

The company always seeks for new opportunities to ensure sustainability and to give stable and long-term return to our investors.

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

The company is engaged in manufacturing and marketing of different kinds of welding electrodes, G. I. Wire and Nail (Parek). Production capacity and current utilization is as under:

Particulars	30.06.15	30.06.16	Projected		
			30.06.17	30.06.18	30.06.19
Licensed & installed production capacity (Metric ton per year)	5,874	7,342	9,324	11,468	12,500
Current utilization of production capacity (Metric ton per year)	5,141	6,600	8,392	10,321	11,250
Current production capacity utilization (%)	87.52%	89.89%	90%	90%	90%

Capacity is calculated considering 2 shifts of 8 hours each per day in 300 working days per year.

The present capacity utilization is nearer to at its optimum level. We have projected that total production will increase but the capacity utilization will be almost same in the next 3 years. We think that our projection is reasonable.

(e) Description of property:

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

The company's registered office is situated at 225/1, New Elephant Road (1st Floor), Dhaka, 1205 and the factory located at Pipulbaria, Daulatpur, Kushtia, Bangladesh.

Particulars	Address
Head office	225/1, New Elephant Road (1st Floor), Dhaka, 1205
Factory	Pipulbaria, Daulatpur, Kushtia, Bangladesh

The Company possesses the following fixed assets at written down value as on June 30, 2016:

Written down value as per audited financial statements as on June 30, 2016

Particulars	Amount in BDT
Land and land development	35,760,000
Building	58,996,123
Plant & machinery	143,532,254
Office equipment	1,518,620
Furniture & fixture	2,139,406
Vehicles	5,684,776
Generator	5,132,667
Electrical transformer	4,005,360
Fire equipment	1,011,105
Electrical equipment	6,652,221
Balance as on June 30, 2016	264,432,532

Some office equipments, furniture & fixtures, vehicle are located at head office of the company. 327 decimal lands are situated at Pachoukoria, Hajin nagar, Niamotpur, Naogaon. Other assets are situated at company's factory site at Pipulbaria, Daulatpur, Kushtia, Bangladesh. All the assets are in good and operating condition.

(ii) Whether the property is owned by the company or taken on lease;

All the assets of the company are owned and in its own name. Those are also in possession of the Company.

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

Deed no	Date of purchase:	Last payment date of current rent	Mutation date	Deed value	Development cost of land	Area	Current use
4074	10-05-2007	09-08-2015	09-08-2015	200,000/-	8,780,000/-	173.90 decimal	Factory Building, lab & workers shed.
3032/ 2015	21-06-2015	02-06-2015	28-10-2015	1,000,000/-	25,780,000/-	327 decimal	Land developed to establish a distribution centre.
				1,200,000/-	34,560,000/-	500.90 decimal	

Land development cost includes pilling, sand filling, tree plantation and boundary wall.

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

Seller of land	Acquisition cost in BDT	Relation
M. A. Maleque	200,000/-	Sponsor and Managing Director
Md. Faruk Ahmed	1,000,000/-	Former Director

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

The company physically possesses total 500.09 decimal of lands. The entire land is owned by the company. The company obtained license for factory construction from Kalkarkhana Audhidaptar, Kushtia, NOC from the Chairman of Pipulbaria, Daulatpur, Kushtia Union Council for factory construction, environmental clearance certificate from Environment Department, Khulna.

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

The company owned 500.90 decimal of lands which is under its possession. Out of the total, 117.75 decimals of lands and factory building are mortgaged to Islami Bank Bangladesh Limited:

Name of Mortgagee	Deed No.	Date	Property
Islami Bank Bangladesh Ltd	1071/16	29-02-2016	117.75 decimals land and factory building

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

No properties are taken by the company under lease agreement.

(viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

Dates of purchase	Sellers name	Address	Years of sale	Condition when purchased	Country of origin	Purchase price including other related cost	Useful economic life	
							When purchased	Remaining
22.09.15	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	178,302	20	19
22.09.15	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	133,200	20	19
09.11.15	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	7,175,199	30	29
11.11.15	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	506,019	20	19
01.12.15	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India	N/A	Brand New	India	547,496	20	19
15.12.15	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	52,847	20	19
17.12.15	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	748,315	20	19
23.12.15	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India	N/A	Brand New	India	1,178,701	25	24
23.12.15	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	3,649,409	25	24
12.01.16	Starway Trading co.	87, Lake Circus, Kalabagan, Dhaka	N/A	Brand New	Bangladesh	7,500,000	25	24
13.01.16	National Trade Corporation	Post. G.I.P. Colony, Howrah-711112, West Bengal, India.	N/A	Brand New	India	152,374	20	19
22.01.16	Starway Trading co.	87, Lake Circus, Kalabagan, Dhaka	N/A	Brand New	Bangladesh	4,550,000	25	24
30.01.16	Starway Trading co.	87, Lake Circus, Kalabagan, Dhaka	N/A	Brand New	Bangladesh	2,500,000	25	24
02.02.16	Starway Trading co.	87, Lake Circus, Kalabagan, Dhaka	N/A	Brand New	Bangladesh	17,520,000	25	24
12.02.16	Starway Trading co.	87, Lake Circus, Kalabagan, Dhaka	N/A	Brand New	Bangladesh	3,550,000	25	24
14.02.16	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	3,530,510	25	24
14.02.16	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India.	N/A	Brand New	India	537200	20	19
14.02.16	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106,India	N/A	Brand New	India	1,380,525	25	24
15.02.16	National Trade Corporation	Post. G.I.P. Colony, Howrah-711112, West Bengal, India.	N/A	Brand New	India	209,666	20	19
26.02.16	Starway Trading co.	87, Lake Circus, Kalabagan, Dhaka	N/A	Brand New	Bangladesh	6,526,356	25	24
06.03.16	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106,India	N/A	Brand New	India	2,201,705	25	24
06.03.16	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106,India	N/A	Brand New	India	575,576	20	19
15.03.16	National Trade Corporation	Post. G.I.P. Colony, Howrah-711112, West	N/A	Brand New	India	194,760	20	19

		Bengal, India.						
15.03.16	Deccan Dynamics		N/A	Brand New	India	8,492,145	25	24
23.06.16	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106,India	N/A	Brand New	India	3,452,842	25	25
05.08.14	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	9,526,167	30	29
26.08.14	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	10,734,129	30	29
02.09.14	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	8,595,567	30	29
10.09.14	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	9,672,211	30	29
29.09.14	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	10,054,427	30	29
30.07.12	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	7,796,303	30	27
17.09.12	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	10,504,325	30	27
30.09.12	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	7,653,306	30	27
13.12.12	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	9,343,376	30	27
11.02.13	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	5,778,689	20	17
19.03.13	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	6,518,061	25	22
23.04.13	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	3,240,146	20	17
24.07.11	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	638,986	20	16
09.08.11	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India	N/A	Brand New	India	540,419	20	16
30.08.11	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	277,545	20	16
19.12.11	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	578,312	20	16
13.02.12	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India	N/A	Brand New	India	819,036	20	16
28.02.12	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	275,702	20	16
			N/A	Brand New				

27.07.10	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	159,230	20	15
21.09.10	National Trade Corporation	Post. G.I. P. Colony, Howrah-711112, West Bengal India	N/A	Brand New	India	573,581	20	15
17.01.11	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India	N/A	Brand New	India	273,089	20	15
19.04.11	Ashok Enterprise	25/2, Khetra Mitra Lane, Salkia Howrah-711106, India	N/A	Brand New	India	429,913	20	15
17.03.10	Nehar Engineering PVT. Ltd.	96/1/A, Rabindra Sarani Liluah, Howrah-711204, India	N/A	Brand New	India	6,238,106	25	20
17.01.10	Pathak Machines International	G.T Road, Dhandari Khurd, Ludhiana, India	N/A	Brand New	India	782,875	20	15
Total cost of acquisition including installation and other related costs						188,046,648		

- The written down value of the plant and machineries of Oimex Electrode Limited as on June 30, 2016 is Tk. 143,532,254/-.

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

Machineries are required to be bought by the issuer, cost, name of supplier, date of placement of order, expected date of supply of the machineries are as follows:

Machinery required	Costs in BDT with installation	Country of origin	Order placement date within	Expected supply date
Welding electrode plant (01 set)	30,200,000	India	31.12.2016	2017
G. I. plant machineries (02 sets)	30,000,000	India	31.12.2016	2017
Nail (Parek) plant machineries (02 sets)	24,800,000	India	31.12.2016	2017
Total cost for plant machineries	85,000,000			

(x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;

There are no such machineries which are yet to be delivered.

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

All plants and machineries of the Company were purchased in brand new condition.

Certificate on plant and machineries is purchased in brand new condition of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD /2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that based on books of accounts, records and other relevant documents, the Plant & Machineries purchased and installed in the factory premises of Oimex Electrode Limited are all brand new condition.

Dated: August 28, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

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

The Company neither purchased any second hand nor reconditioned machineries nor have any plan to purchase such machineries in future.

(xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

Factory visit report from Issue Manager

Of

Oimex Electrode Limited

This is to certify that we have visited the factory of Oimex Electrode Limited several times. Lastly, we have visited it on July 19, 2016 and have found the factory as under:

Company overview

Oimex Electrode Limited is engaged in manufacturing and marketing of Welding Electrodes, G. I. Wire and Nail (Parek) in Bangladesh. Oimex Electrode Limited was established in September 18, 2005 as a private limited company as subsequently converted into a public limited company on August 25, 2014. The Certificate of Incorporation number of Oimex is C-59061/(1067)/05. The Company started its commercial operation on March 21, 2010.

The capital structure of the company is as follows:

Authorized Capital: Tk. 500,000,000.00

Paid up Capital: Tk. 308,920,000.00

Proposed IPO Size: Tk. 150,000,000.00 (1.50 crore ordinary shares @ Tk. 10.00 each)

IPO Size (in share): 15,000,000 ordinary shares

Post IPO paid-up: Tk. 458,920,000.00

Registered office

The corporate office of the company is situated at 225/1, New Elephant Road (1st floor), Dhaka-1205.

Nature of business:

Oimex Electrode Limited is engaged in manufacturing and marketing of welding electrodes, G. I. Wire and Nail (Parek) in Bangladesh.

Products:

The Company has three major products:

1. Welding Electrode of different categories
2. G. I. Wire and
3. Nail (Parek)

Location of the factory:

The factory is located at Pipulbaria, Daulatpur, Kushtia, Bangladesh. It is about 246 kilometers from Dhaka.

Description of property:

We have identified that the factory of Oimex Electrode Limited is located at Pipulbaria, Daulatpur, Kushtia, Bangladesh. We have found properties at the factory like:

- 1. Land:** The Company possesses total 500.9 decimal of lands. Out of the total 185.90 decimals demarcated lands surrounded by 10 feet high boundary wall is situated at Pipulbaria, Daulatpur, Kushtia, Bangladesh where the factory is situated. Remaining 315 decimal of demarcated lands is situated at Bhabia, Bilshidain, Niyamatpur, Naogaon where the distribution of the company products for the area of Rajshahi, Naogaon, Dinajpur will be maintained.
- 2. Factory buildings and sheds:** There two buildings and four sheds in the factory premises. Ground floor of a building is used for producing Nail (Parek) and partially used for Dias measuring unit. 1st floor of the same building is the laboratory of the company. Another building is used for producing G.I. Wire. One part of the tin shaded building is used for producing welding electrodes and another part for storing raw materials. It also has a small shed occupied by a workshop producing spare parts of the machineries. There are other two shades for workers.

- 3. Machineries:** The machineries of the factory are in good condition and running well.
- 4. Generator & transformer:** The generator of the company is in good condition and running well. The company has procured a high power electric transformer for smooth supply of electricity.
- 5. Water pump and distilled water plant:** The Company requires huge pure water for production. Its own deep tube-well and distilled water plant supply the required water and we found those in good condition and running.
- 6. Vehicles:** The company has 07 covered delivery Vans in good condition.
- 7. Factory workers:** The factory manager informed us that most of the workers are of two shifts. Officers and workers were present during our visit. 126 out of 242 officers and workers were working in the factory.
- 8. Signboard:** The signboard of the Company is well displayed at the entry of the factory premises.

Comments: the Factory is in production and running smoothly.

Sd/-
Md. Kamrujjaman
 Manager Public Issue and Corporate Advisory
 MTB Capital Limited

Sd/-
Khairul Bashar Abu Taher Mohammad
 Chief Executive Officer and EVP
 MTB Capital Limited

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

The Company has no intellectual property right or intangible asset.

(xv) Full description of other properties of the issuer.

Particulars	Amount in BDT
Land and land development	35,760,000
Building	58,996,123
Plant & machinery	143,532,254
Office equipment	1,518,620
Furniture & fixture	2,139,406
Vehicles	5,684,776
Generator	5,132,667
Electrical transformer	4,005,360
Fire equipment	1,011,105
Electrical equipment	6,652,221
Balance as on June 30, 2016	264,432,532

(f) Plan of operation and discussion of financial condition:

(i) Oimex Electrode Limited was incorporated in September 18, 2005 as a private limited company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-59061/(1067)/05 under the companies Act 1994. It was converted into a public limited company on August 25, 2014.

(ii) The Company's revenues and results from operations, statement of financial position, changes in financial position and statement of cash flows for the last five years are mentioned below:

Revenue and results from operation:

Particulars	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
	Taka	Taka	Taka	Taka	Taka
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Less: Cost of goods sold	288,548,149	271,880,657	92,959,946	72,276,229	79,421,697
Gross profit / (loss)	121,616,363	114,828,858	33,580,254	26,174,171	15,739,695
Less: Operating expenses	16,963,452	11,511,379	5,781,500	4,829,600	3,558,150
Administrative expenses	10,003,670	8,049,502	3,825,300	3,264,200	3,558,150
Selling & distribution expenses	6,959,782	3,461,877	1,956,200	1,565,400	-
Operating profit/loss	104,652,911	103,317,479	27,798,754	21,344,571	12,181,545
Less: Financial expenses	10,933,469	13,236,592	9,153,164	7,942,399	8,274,465
Profit / (loss) for the year	93,719,442	90,080,887	18,645,590	13,402,172	3,907,080
Add: Other-operating income	7,389,927	6,834,392	535,650	215,207	-
Net profit before WPPF and tax	101,109,369	96,915,279	19,181,240	13,617,379	3,907,080
Less: Contribution to WPPF	4,814,732	4,615,013	913,392	648,447	-
Net profit before tax for the year	96,294,637	92,300,266	18,267,848	12,968,932	3,907,080
Less: Income tax expenses	32,087,868	33,381,470	6,393,747	4,863,350	1,465,155
Current tax	23,722,385	30,089,861	6,393,747	4,863,350	-
Deferred tax	8,365,484	3,291,609	-	-	-
Net profit for the year	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925

Statement of financial position:

Assets and properties:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
	Taka	Taka	Taka	Taka	Taka
Non-current assets:	314,197,783	145,909,524	63,264,059	68,304,571	14,116,863
Property, plant and equipment	264,432,532	119,519,765	63,264,059	68,304,571	12,634,309
Capital work in progress	49,765,251	26,389,759	-	-	-
Preliminary Expenses	-	-	-	-	30,000
Un-allocated revenue account	-	-	-	-	1,452,554
Current assets:	352,009,280	350,853,488	168,857,308	145,112,278	68,769,736
Inventories	189,340,227	114,565,735	49,952,361	55,113,358	38,375,958
Accounts receivables	131,447,464	103,550,230	43,460,000	30,786,340	-
Advances, deposits & prepayments	7,107,311	31,283,733	67,276,200	47,612,079	3,272,834
Cash & cash equivalents	24,114,278	101,453,790	8,168,747	11,600,501	27,120,944
Total assets & properties:	666,207,063	496,763,012	232,121,367	213,416,849	82,886,599
Shareholders' equity and liabilities:					
Shareholders' equity:	459,275,992	168,149,224	28,230,428	1,828,506	1,828,506
Share capital	308,920,000	82,000,000	1,000,000	400,000	400,000
Retained earnings	150,355,992	86,149,224	27,230,428	15,356,327	1,428,506
Non-current liabilities:	62,116,865	221,697,334	119,031,200	124,112,598	10,525,493
Share money deposit	-	210,820,000	110,000,000	110,000,000	-
Long term loan	50,459,772	7,585,725	9,031,200	14,112,598	10,525,493
Deferred tax liability	11,657,093	3,291,609	-	-	-
Current liabilities:	144,814,205	106,916,454	84,859,739	73,547,924	70,532,600
Accounts payable	325,187	267,920	241,400	325,400	-
Short term bank loan	72,756,696	60,978,922	70,789,719	67,461,644	69,981,974
Current portion of long term loan	6,916,195	2,159,775	1,216,000	-	-
Current tax liabilities	56,639,702	37,173,694	11,257,097	4,863,350	-
Workers profit participation fund payable	4,814,732	4,615,013	550,500	-	-
Liabilities for expenses	3,361,694	1,721,130	805,023	897,530	550,626
Total shareholders' equity and liabilities:	666,207,063	496,763,012	232,121,367	213,416,849	82,886,599

Statement of changes in financial position:

For the year ended June 30, 2012 to June 30, 2016:

Particulars	Ordinary share capital	Retained earnings	Total
Balance as on June 30, 2012	400,000	1,428,506	1,828,506
Balance as on June 30, 2013	400,000	15,356,327	1,828,506
Balance as on June 30, 2014	1,000,000	27,230,428	28,230,428
Balance as on June 30, 2015	82,000,000	86,149,224	168,149,224
Balance as on June 30, 2016	308,920,000	150,355,992	459,275,992

Statement of cash flows:

Particulars	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
	Taka	Taka	Taka	Taka	Taka
A. Cash flows from operating activities:					
Cash receipts from customers	389,657,205	333,453,677	114,402,190	67,879,267	95,161,392
Cash paid to suppliers	(347,163,684)	(299,004,245)	(102,733,345)	(102,878,375)	(96,433,325)
Cash paid to employees	(15,314,142)	(8,827,288)	(2,479,847)	(1,970,071)	(1,669,698)
Cash paid for other operating expenses	(2,768,564)	(1,072,839)	(3,530,265)	(2,894,264)	(1,666,160)
Cash generated from operation	24,410,815	24,549,305	5,658,733	(39,863,443)	(4,607,791)
Interest paid	(10,933,469)	(13,236,592)	(9,153,164)	(7,942,399)	(8,274,465)
Income taxes paid	(5,264,889)	(4,173,264)	-	-	(1,465,155)
Net cash flows from operating activities	8,212,457	7,139,449	(3,494,431)	(47,805,842)	(14,347,411)
B. Cash flows from investing activities:					
Acquisition of fixed assets	(97,225,031)	(58,972,150)	-	(80,263,930)	(3,716,892)
Payment for capital work in progress	(63,835,179)	(26,389,759)	-	1,482,554	
Net cash flows from investing activities	(161,060,210)	(85,361,909)	-	(78,781,376)	(3,716,892)
C. Cash flows from financing activities:					
B. Cash flows from investing activities: activities:					
Increase in Share capital	226,920,000	81,000,000	600,000	-	-
Increase/(decrease) in Share money deposits	(210,820,000)	100,820,000	-	110,000,000	-
Increase/(decrease) of current portion long term loan	11,777,774	943,775	-	-	-
Increase/(decrease) of short term bank loan	4,756,420	(9,810,797)	3,328,075	(2,520,330)	43,439,613
Increase/(decrease) of long term loan	42,874,047	(1,445,475)	(3,865,398)	3,587,105	1,701,493
Net cash flows from financing activities	75,508,241	171,507,503	62,677	111,066,775	45,141,106
Net cash and cash equivalent (a+b+c)	(77,339,512)	93,285,043	(3,431,754)	(15,520,443)	27,076,803
Cash & cash equivalent at the beginning of the year	101,453,790	8,168,747	11,600,501	27,120,944	44,141
Cash & cash equivalent at the end of the year	24,114,278	101,453,790	8,168,747	11,600,501	27,120,944

a) Internal and external sources of cash;

(Amount in BDT)

Internal sources of cash:	30.06.2016	30.06.2015	30.06.2014	30.06.2013	30.06.2012
Share capital	308,920,000	82,000,000	1,000,000	400,000	400,000
Share money deposit	-	210,820,000	110,000,000	110,000,000	-
Retained earnings	150,355,992	86,149,224	27,230,428	15,356,327	1,428,506
Sub total	459,275,992	378,969,224	138,230,428	125,756,327	1,828,506
Long term loan	50,459,772	7,585,725	9,031,200	14,112,598	10,525,493
Current portion of long term loan	6,916,195	2,159,775	1,216,000	-	-
Short term bank loan	72,756,696	60,978,922	70,789,719	67,461,644	69,981,974
Sub total	130,132,663	70,724,422	81,036,919	81,574,242	80,507,467
Grand total	589,408,655	449,693,646	219,267,347	207,330,569	82,335,973

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

The company has not made any material commitment for capital expenditure.

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

(Amount in BDT)

Particulars	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Less: Cost of goods sold	288,548,149	271,880,657	92,959,946	72,276,229	79,421,697
Less: Operating expenses	16,963,452	11,511,379	5,756,040	4,829,600	3,558,150
Net profit after tax	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925

Oimex Electrode Limited manages to achieve a continuous growth in sales over the periods due to management expertise, economics of scale, increased capacity utilization through adequate working capital facility particularly, lower cost of labor and raw materials. Moreover, quality products at reasonable price and value added products attracts buyers and caused significant change in income, cost of goods sold, other operating expenses and thus better net income.

d) Seasonal aspects of the company's business;

There is no significant seasonal aspect on the company's business.

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

There are no known trends, events or uncertainties that shall have a material effect on the company's future business other than the events which is beyond the company's control.

f) Changes in assets of the Company used to pay off any liabilities;

No assets of the Company have been used to pay off any liability.

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

Oimex Electrode Limited has no sister/ subsidiary/ associate/ holding company according to the Companies Act, 1994. Therefore, no such loan was taken from or given to any sister/ subsidiary/ associate/ holding company.

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

The Company has no plan to enter into any contractual liabilities within next one year other than the normal course of business.

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

The Company does not have any plan for capital expenditure within next one year other than as specified in "utilization of IPO proceeds". So, no such estimation is required.

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

1. **VAT:** As on June 30, 2016 of Tk. 613,399 VAT was payable which is subsequently paid.

2. **Income tax:** The year-wise income tax status of the Company is as under:

Income Year	Assessment Year	Status
2015-2016	2016-2017	Assessment under process.
2014-2015	2015-2016	Assessment under process.
2013-2014	2014-2015	Assessment of this company has been completed for the assessment year 2014-2015.
2012-2013	2013-2014	Assessment of this company has been completed for the assessment year 2013-2014 under Section 82BB and tax paid in full.
2011-2012	2012-2013	Assessment of this company has been completed for the assessment year 2012-2013 and tax paid in full.
2010-2011	2011-2012	Assessment of this company has been completed for the assessment year 2011-2012 and tax paid in full.

3. **Custom duty:** There is no such liability outstanding for the company as of June 30, 2016.

k) Financial loan/ lease commitment during last five years:

There are no financial lease obligations with anyone for the last five years except for the rented corporate head office of the company under the following conditions:

Address	Area (Sft)	Rent/ Sft.	Period	Rent p/m (BDT)
225/1, New Elephant Road (1st Floor), Dhaka, 1205	1,200	27.50	From 01-01-2015 to 31-12-2018	16,500.00
225/1, New Elephant Road (1st Floor), Dhaka, 1205	1,200	26.67	From 01-01-2014 to 31-12-2015	16,000.00
225/1, New Elephant Road (1st Floor), Dhaka, 1205	600	25.00	From 01-01-2010 to 31-12-2013	15,000.00

l) Personal related scheme:

In addition to company's monthly salary benefits, wages and allowances, the company also provides following benefits to the employees.

a. Festival bonus: The company gives two festival bonuses in a year.

b. Performance bonus: All workers at factory get performance bonus who can meet the target.

c. Medical assistances: All employees of the company get medical assistance for himself/ herself and his/ her family.

d. Workers profit participation fund: The Company regularly allocates 5% on net income before tax to this funds and payment is made to the workers as per provisions of Labour Laws 2006.

m) Break down of IPO expenses:

Detail of estimated public issue expenses are shown below:

Particulars	Nature of expenses	Amount in BDT
Manager to the issue fees:		
Manager to the issue fee	1% on the public offer amount or Tk.3,000,000 whichever is lower	1,500,000
VAT against manager to the issue fee	@ 15% of the issue management fee	225,000
BSEC fees:		
Application fee	Fixed	50,000
Consent fee	@ 0.40% on the public offer amount	600,000
Fees related to listing with the stock exchanges:		
Prospectus submission fees to DSE & CSE	Fixed	100,000
Annual fee to DSE & CSE	At actual	458,920
Listing fee to DSE & CSE	@ 0.25% on 10 crore and 0.15% on the rest amount of paid-up capital; (minimum Tk. 50 thousand, maximum Tk.1 crore for each exchange)	1,576,760
CDBL fees and expenses:		
Security fee	At actual	400,000
Documentation fee	At actual	2,500
IPO fee	@ 0.015% of issue price + 0.015% of pre-IPO paid-up capital	68,840
Annual fee	At actual	100,000
Connection fee	At actual	6,000
Commissions & expenses:		
Underwriting Commission	@ 0.50% on underwriting amount	262,500
Auditor certification fee	At actual	200,000
Expenses related to printing, publication and others:		
Abridged version of prospectus and notice in 4 daily newspapers	(Estimated; to be paid at actual)	600,000
Printing of prospectus	(Estimated; to be paid at actual)	1,000,000
Notice for prospectus, lottery, refund etc. in 4 daily newspapers	(Estimated; to be paid at actual)	250,000
Currier expenses	(Estimated; to be paid at actual)	300,000
Lottery related expenses including BUET fee	(Estimated; to be paid at actual)	1,000,000
Data processing & software	(Estimated; to be paid at actual)	6,000,000
Stationeries & other expenses	(Estimated; to be paid at actual)	299,480
Total		15,000,000

N.B.: Actual costs will vary if above mentioned estimates differ and will be accordingly.

n) Revaluation of company's assets:

The company did not revalue any of its assets since inception.

o) Transactions between holding/ subsidiary company or associate company:

The company has no holding/ subsidiary/ associate company. Therefore, no such transaction has been made during the last five year.

p) Financial Information of Group Companies:

Oimex Electrode Limited is a single entity and it has neither any holding company nor any subsidiary.

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

This is to certify that the ‘Oimex Electrode Limited’, Dhaka bearing Incorporation No. C-59061 (1067)/05, dated September 18, 2005 has the following capital structure as on 30 June, 2016:

Particulars of Allotments:

The capital structure of **Oimex Electrode Limited** as on 30 June, 2016 is as follows:

Particulars	Number of shares	Face value (Tk.)	Amount in BDT
Authorized capital	50,000,000	10.00	500,000,000

Issued, subscribed and paid-up capital:

Allotments	Date of Allotment	No. of Shares Issue			Amount of Shares Capital (Taka)
		Consideration in Cash	Consideration other than Cash	Bonus Share	
First (As per Memorandum & Article of Association at the time on Incorporation)	September 18, 2005	40,000	-	-	400,000
Second	December 20, 2013	60,000	-	-	600,000
Third	July 20, 2014	2,800,000	-	-	28,000,000
Forth	October 09, 2014	5,300,000	-	-	53,000,000
Fifth	August 24, 2015	21,082,000	-	-	210,820,000
Sixth	June 30, 2016	1,610,000	-	-	16,100,000
Total		30,892,000			308,920,000

The company subdivided the face value of its ordinary share from Tk. 100 to Tk. 10 on dated February 02, 2014 by special resolutions in the Extra Ordinary General Meeting and necessary amendments in the capital clause of the Memorandum of Association and Articles of Association were made accordingly.

The above information are based on books and records provided by the management.

Date: 28 August, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

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

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

17) Business strategies and future plans. Projected statement of financial position, compressive statement of income and earnings per share for the next three accounting years as per the issuers own assessment;

Business Strategies

Oimex has modern machineries and technology that ensures quality products. It is the cost leader for cheaper labor and special quality. We try to produce goods with cheap cost so that we can get competitive advantages over our competitors. We also believe in providing customizing products to our customer as per need basis so that we can get maximum market share of our products.

Future Plan

Overall demand of the industry products are increasing day by day. There is no available published data for future forecast but the company's own market survey states that the demand for the products of Oimex is also increasing with the increased demand of the market. For better quality and competitive price the company is in the advantageous position and has opportunity of expanding its project in future.

Projected Financial Information (PFI) for next three years;

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

Assumption Indicator	Basis of assumption	Assumptions Years		
		30-Jun-17	30-Jun-18	30-Jun-19
Capacity Increase	Capacity will be increased as new machineries will be introduced.	27%	23%	9%
Capacity utilization	Capacity utilization will be almost same.	85-90%	85-90%	85-90%
Sales revenue increase	Sales will be increased for quality products by the increase of sales volume and unit price.	30%	15%	5%
Operating expenses increase/ (decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of operating expenses in the year 2017. Expenses will be reduced in the year 2018 because of no expense in that year.	95%	(38%)	15%
Property, plant and equipment addition	Property, plant and equipment will be increased every year when required for the purpose of production increase.	113,911,218	109,740,738	68,677,390
Paid up capital increase	Paid-up capital will be increased by Tk. 150,000,000 through IPO in FY 2016-2017.	150,000,000	-	-
Long term loan repayment	The current portion long term loan of 2016 will be paid in 2017 and the rest amount will be paid in other subsequent years.	6,916,195	6,082,505	5,349,310
Dividend	Dividend is not considered here as the decision is not predetermined	-	-	-

OIMEX ELECTRODE LIMITED
Statement of Financial Position (Projected)

(Figure in BDT)

Particulars	Audited	Projected		
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Assets				
Non-current assets	314,197,783	367,414,250	404,903,604	416,235,771
Property, plant and equipment	264,432,532	343,404,257	404,903,604	416,235,771
Capital work in progress	49,765,251	24,009,993	-	-
Current assets	352,009,280	459,787,897	690,983,870	946,298,871
Inventories	189,340,227	257,201,541	369,166,190	483,572,532
Accounts receivables	131,447,464	171,486,344	279,564,251	397,204,665
Advances, deposits & prepayments	7,107,311	14,410,601	26,684,968	47,953,541
Cash & cash equivalents	24,114,278	16,689,411	15,568,461	17,568,133
Total assets	666,207,063	827,202,147	1,095,887,474	1,362,534,642
Shareholders' equity and liabilities				
Shareholders' equity	459,275,992	681,927,782	931,767,353	1,185,043,301
Share capital	308,920,000	458,920,000	608,920,000	758,920,000
Retained earnings	150,355,992	223,007,782	322,847,353	426,123,301
Non-current liabilities	62,116,865	73,579,510	86,780,842	102,158,342
Long term loan	50,459,772	44,377,267	39,027,957	34,323,462
Deferred tax liability	11,657,093	29,202,244	47,752,885	67,834,880
Current liabilities:	144,814,205	71,694,855	77,339,279	75,332,999
Accounts payable	325,187	596,821	756,812	856,105
Short term bank loan	72,756,696	32,568,165	25,685,147	24,245,440
Current portion of long term loan	6,916,195	6,082,505	5,349,310	4,704,495
Current tax liabilities	56,639,702	24,167,592	35,209,128	35,528,130
Workers profit participation fund payable	4,814,732	5,718,227	7,679,967	7,944,304
Liabilities for expenses	3,361,694	2,561,545	2,658,915	2,054,525
Total shareholders' equity and liabilities:	666,207,063	827,202,147	1,095,887,474	1,362,534,642

OIMEX ELECTRODE LIMITED
Statement of profit or loss & other comprehensive income (Projected)

(Figure in BDT)

Particulars	Audited	Projected		
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Revenue	410,164,512	533,213,866	613,195,945	643,855,743
Less: Cost of goods sold	288,548,149	374,662,723	429,329,141	452,083,310
Gross profit / (loss)	121,616,363	158,551,143	183,866,804	191,772,433
Less: Operating expenses	16,963,452	33,164,987	20,543,136	23,624,607
Administrative expenses	10,003,670	25,509,226	12,504,588	14,380,276
Selling & distribution expenses	6,959,782	7,655,760	8,038,548	9,244,331
Operating profit/(loss)	104,652,911	125,386,156	163,323,668	168,147,826
Less: Financial expenses	10,933,469	10,568,450	8,569,500	7,568,000
	93,719,442	114,817,706	154,754,168	160,579,826
Add: Other-operating income	7,389,927	5,265,052	6,525,140	6,250,550
Net profit before WPPF & tax	101,109,369	120,082,758	161,279,308	166,830,376
Less: Contribution to WPPF	4,814,732	5,718,227	7,679,967	7,944,304
Net profit before tax	96,294,637	114,364,532	153,599,341	158,886,073
Less: Income tax expenses	32,087,868	41,712,743	53,759,769	55,610,125
Current tax	23,722,385	24,167,592	35,209,128	35,528,130
Deferred tax	8,365,484	17,545,151	18,550,642	20,081,995
Net profit for the year	64,206,768	72,651,789	99,839,572	103,275,947
Other comprehensive income	-	-	-	-
Total comprehensive income	64,206,768	72,651,789	99,839,572	103,275,947

Sd/-
M A Maleque
 Managing Director

Sd/-
Md. Ikramul Islam
 Chief Financial Officer

Sd/-
Md. Nasir Uddin
 Chairman

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

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

Particulars	Year ended				
	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Non-Current Assets	314,197,783	145,909,524	63,264,059	68,304,571	14,116,863
Current Asset	352,009,280	350,853,488	168,857,308	145,112,278	68,769,736
Shareholders' Equity	459,275,992	168,149,224	28,230,428	15,756,327	1,828,506
Long Term Loan	50,459,772	7,585,725	9,031,200	14,112,598	10,525,493
Current Liabilities	144,814,205	106,916,545	84,859,739	73,547,924	70,532,600
Turnover	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Gross Profit	121,616,363	114,828,858	33,580,254	26,174,171	15,739,695
Net profit before tax	96,294,637	92,300,266	18,267,848	12,968,932	3,907,080
Net Profit after tax	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925

2. A summary of major items of income and expenditure: (Amount in BDT)

Particulars	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Other income	7,389,927	6,834,392	525,650	215,207	-

Summary of major items of expenditure: (Amount in BDT)

Particulars	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Cost of goods sold	288,548,149	271,880,657	92,959,946	72,276,229	79,421,697
Net profit before tax for the year	96,294,637	92,300,266	18,267,848	12,968,932	3,907,080
Net profit after tax	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925

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

Sl#	Name of the product	Income of each product	Percentage of contribution
01	Welding Electrode	57,397,622	13.99%
02	G.I. Wire	141,439,095	34.48%
03	Nail (Parek)	211,327,795	51.52%

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

The company's other income is only 1.80% of the total income.

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

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

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

The issuer has not followed any unorthodox procedure for recording sales and revenues.

r) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Particulars	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Less: Cost of goods sold	288,548,149	271,880,657	92,959,946	72,276,229	79,421,697
Gross profit	121,616,363	114,828,858	33,681,254	26,174,171	15,739,695
Less: Operating expenses	16,963,452	11,511,379	5,756,040	4,829,600	3,558,150
Administrative expenses	10,003,670	8,049,502	3,643,880	3,264,200	3,558,150
Selling & distribution expenses	6,959,782	3,461,877	2,112,160	1,565,400	-
Operating profit	104,652,911	103,317,479	27,925,214	21,344,571	12,181,545
Less: Financial expenses	10,933,469	13,236,592	9,178,624	7,942,399	8,274,465
	93,719,442	90,080,887	18,746,590	13,402,172	3,907,080
Add: Other-operating income	7,389,927	6,834,392	535,650	215,207	-
Net profit before charging WPPF	101,109,369	96,915,279	19,272,240	13,617,379	3,907,080
Less: Contribution to WPPF	4,814,732	4,615,013	913,392	648,447	-
Net profit before tax for the year	96,294,637	92,300,266	18,358,848	12,968,932	3,907,080
Less: Provision for income tax	32,087,868	33,381,470	6,393,747	4,863,350	1,465,155
Current tax	23,722,385	30,089,861	6,393,747	4,863,350	-
Deferred tax	8,365,484	3,291,607	-	-	-
Net profit for the year	64,206,768	58,918,796	11,965,101	8,105,582	2,441,925
Total comprehensive Income	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925

Oimex Electrode Limited manages to achieve a continuous growth in sales over the periods due to management expertise, economics of scale, increased capacity utilization through adequate working capital facility particularly, lower cost of labor and raw materials. Moreover, quality products at reasonable price and value added products attracts buyers and caused significant change in income, cost of goods sold, other operating expenses and thus better net income.

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

There are no unusual or infrequent events or transactions of the company.

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

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

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

There are no known trends, events or uncertainties that shall have a material effect on the company's future business other than the events which is beyond the company's control.

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

Future is always uncertain and we are aware of that. In future, labor price or material price may change and business may be affected. But revenue is always adjusted with production cost. So, any change in cost factor will be reflected in sales price.

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

After increasing the new machineries from net proceeds of IPO, sales will be increased by around 30%. This increased sale will result a positive increase in total revenue, gross profit and net profit accordingly.

6) Total turnover of each major industry segment in which the issuer operated.

At present, the total turnover of the company is coming from Engineering Industry.

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

The company has no such information to announce publicly.

8) The extent to which the business is seasonal.

There is no such significant seasonal aspect on the company's business.

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

The company has no such default borrowing history for which loan had to convert in to equity, lock out or strikes.

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

The company has no history of changes in the activities from its inception.

u) Injunction or restraining order, if any, with possible implications;

The company has no injunction or restraining order from any authority.

v) Technology, market, managerial competence and capacity built-up;

Oimex Electrode Limited has competitive advantages of using sophisticated machineries and technology in order to produce high quality of product. The core markets for the product of the company are engineering workshop, developer companies and other local customers. The management of the company is competent and is working for increasing capacity to meet up the demand and to have a maximum market share.

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

The management of the company has not changes any accounting policies in the last three years.

x) Statement regarding significant developments subsequent to the last financial year

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Oimex Electrode Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Mrs. Khairun Nesa Lucky
Chairman

Sd/-
Mrs. Nawshin Tasnim
Director

Sd/-
Md. Abu Taleb
Independent Director

Sd/-
Dr. M. Farid Ahmed
Independent Director

Sd/-
M A Maleque
Director & Managing Director

y) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer:

Year ended duly authenticated audited financial statements have been incorporated in the prospectus.

z) Factors that may affect the results of operations.

There are no such factors that may affect the results of operations.

(VII) MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS:

(a) Overview of business and strategies:

Oimex has modern machineries and technology that ensures quality products. It is the cost leader for cheaper labor and special quality. We try to produce goods with cheap cost so that we can get competitive advantages over our competitors. We also believe in providing customizing products to our customer as per need basis so that we can get maximum market share of our products.

Diversification is a continuous process here and it produces different kinds of Welding Electrodes, G. I. Wire and Nail for our existing and potential customers.

Maintain state-of-the-art manufacturing facilities for ensuring best quality products to the customers. We have ISO Certificate 9001:2008 (quality management) standards that are proven effective.

The company always seeks for new opportunities to ensure sustainability and to give stable and long-term return to our investors.

(b) SWOT ANALYSIS:

SWOT is a structured planning method that evaluates strengths, weaknesses, opportunities and threats of a project. It identifies and evaluates the internal factors, strengths and weaknesses and external factors, opportunities and threats of a company to achieve its goals. SWOT analysis for Oimex Electrode Limited is as under:

Strengths:

1. Oimex Electrode Limited using modern machineries, advance technology to produce quality products.
2. OEL is providing better payment, bonus and food support to its employees during their duty. So, they are happy and committed to the company.
3. Oimex has sufficient electricity supply backed by own power generator. It does not require any gas for production, so interrupted/ shortfall of gas supply and future uncertainty risk is minimized.
4. The company exercise good corporate governance and proper delegation of power of the overall management.
5. OEL has adequate security and safety measure for any emergency.
6. The company has sufficient trained labor force both male and female.
7. Comparatively cheaper labor cost from the locality.

Weakness:

1. Comparatively higher interest rate on project loan; for investment in high value projects.
2. The production includes allocation of depreciation on some unutilized resources.
3. Maintenance of machineries takes time.
4. Training and other facilities for unskilled workers sometimes ends in loss.

Opportunities:

1. Further increase of productivity, quality and design can minimize cost and maximize profit.
2. Declining vulnerability to natural disasters.
3. Comparatively lower cost of raw material and labor.
4. Sharing the growth of neighboring countries.
5. Low transportation cost of raw materials.
6. Import of raw material in big quantity allows lower cost and favorable trade term.
7. Company's own laboratory research can develop new formula for better quality and price.

Threats:

1. Any future change in Government policies may be threat for the Company to survive.
2. Growing terrorism, or its false/ amplified propaganda is also a big threat.
3. The poor political culture and violence is one of the most important threats.
4. Crisis in power supply is also a threat to its operation.
5. Fully dependent on imported raw material.
6. Any natural disaster may hamper the operation of the company.

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

Particulars	30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012	Reasons
	Taka	Taka	Taka	Taka	Taka	
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392	Increased production capacity and its utilization, management expertise, economics of scale, supply of adequate working capital, lower cost of raw materials, quality products, reasonable price are the reasons for changes in sales/ revenue and expenses.
Less: Cost of goods sold	288,548,149	271,880,657	92,959,946	72,276,229	79,421,697	
Gross profit / (loss)	121,616,363	114,828,858	33,681,254	26,174,171	15,739,695	
Less: Operating expenses	16,963,452	11,511,379	5,756,040	4,829,600	3,558,150	
Administrative expenses	10,003,670	8,049,502	3,643,880	3,264,200	3,558,150	
Selling & distribution expenses	6,959,782	3,461,877	2,112,160	1,565,400	-	
Operating profit	104,652,911	103,317,479	27,925,214	21,344,571	12,181,545	
Less: Financial expenses	10,933,469	13,236,592	9,178,624	7,942,399	8,274,465	
	93,719,442	90,080,887	18,746,590	13,402,172	3,907,080	
Add: Other-operating income	7,389,927	6,834,392	535,650	215,207	-	
Net profit before charging WPPF	101,109,369	96,915,279	19,272,240	13,617,379	3,907,080	
Less: Contribution to WPPF	4,814,732	4,615,013	913,392	648,447	-	
Net profit before tax	96,294,637	92,300,266	18,358,848	12,968,932	3,907,080	
Less: Provision for income tax	32,087,868	33,381,470	6,393,747	4,863,350	1,465,155	
Current tax	23,722,385	30,089,861	6,393,747	4,863,350	-	
Deferred tax	8,365,484	3,291,607	-	-	-	
Net profit after tax	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925	

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

There are no known trends, events or uncertainties that shall have a material effect on the company's future business

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

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

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

(VIII) DIRECTORS AND OFFICERS

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

Name	Father's name	Age (years)	Residential address	Qualification	Experience (years)	Position
Mrs. Khairun Nesa Lucky	M M Abdullah	51	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	M Sc	22	Chairman
M A Maleque	M A Khaleque	51	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	B Ag (Eco)	23	Director & MD
Mrs. Nawshin Tasnim	Faruk Ahmed	22	House: 2/6, Shajahan Road Mohammadpur, Dhaka	BBA	2	Director
Md. Abu Taleb	Mujubul Hoque	56	4/3, South Kalyanpur Eastern Housing Project-2, Dhaka	M Com	29	Independent Director
Dr. M. Farid Ahmed	Abdul Gafur Meah	63	27/19 K. M. Das Lane, Tikatuly, Dhaka-1203.	PhD	36	Independent Director

(b) Date of first directorship and expiry of current tenure of the directors:

Name	Position	Date of becoming director for the first time	Expiry of current term
Mrs. Khairun Nesa Lucky	Chairman	Inception	Next AGM
M A Maleque	Director & MD	Inception	Next AGM
Mrs. Nawshin Tasnim	Director	September 10, 2015	Next AGM
Md. Abu Taleb	Independent Director	September 10, 2015	September 09, 2018
Dr. M. Farid Ahmed	Independent Director	January 15, 2016	January 14, 2019

(c) Name of Interest and Involvement in other business/organization of directors:

Directors of Oimex Electrode Limited have not involved in any other organizations.

(d) Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance of that issuer;

None of directors of the Oimex Electrode Limited are associated with the securities market in any manner and involved of any issuer of other listed securities during last three years.

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

There is no relationship among the directors of Oimex Electrode Limited except Chairman, Mrs. Khairun Nesa Lucky is the wife of Director and Managing Director M A Maleque.

(f) Brief description of other businesses of the directors:

There is no other business of the directors.

(g) Short bio-data of the directors:

1. Mrs. Khairun Nesa Lucky, Chairman

Mr. Khairun Nesa Lucky, daughter of Mrs. Zohura Abdullah & Late M M Abdullah and wife of M A Maleque, was born in a respectable Muslim family in Mohammadpur, Dhaka. She is one of the sponsor directors of the company having more than 20 years of experience in service and business. Mrs. Lucy looks after the finance of the Company.

2. M A Maleque, Director & Managing Director

M A Maleque, son of late Mahbuba Khanoom & late M. A. Khaleque was born in a very respectable Muslim family in Mohammadpur, Dhaka. 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 21 years in industry and has sound knowledge and technical quality in the relevant area. He is also the head of production of the company. Mr. Maleque is involved in many social and cultural organizations.

3. Mrs. Nawshin Tasnim, Director

Mrs. Nawshin Tasnim, daughter of Mr. Faruk Ahmed & Nargis Begum, was born in a very respectable Muslim Family in Mohammadpur, Dhaka. She is one of the directors of the Company. Mrs. Nawshin has obtained Bachelor of Business Administration from BRAC University, Dhaka.

4. Md. Abu Taleb, Independent Director

Mr. Abu Taleb is one of the Independent Directors of Oimex Electrode Limited. He has born in a reputed Muslim family of Mr. Mujibul Hoque and Mrs. Aungkurun Nesa Begum in 1960. He is the Chairman of the Department of Banking, University of Dhaka. Mr. Abu Taleb has 29 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.

5. Dr. M. Farid Ahmed, Independent Director

Dr. M. Farid Ahmed is one of the independent directors of Oimex Electrode Limited. He has born in a respected Muslim family of Munshigonj in 1953. Dr. Farid has 36 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.

(h) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither Oimex Electrode Limited nor any of its sponsors/ directors or shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

i) Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the CEO, MD, CFO, CS, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Name	Position	Qualification	Date of joining	Age (Years)	Experience		Salary (BDT)
					Years	Past employment	
M A Maleque	Director & MD	B Agr (Eco)	Inception	51	22	Oimex Electrode Ltd	2,400,000
Md. Ikramul Islam	CFO	M.Com, CA (CC)	2016	33	05	Southern Automobiles Ltd.	160,000
Md. Nasir Uddin	DGM & CS	MSS	2006	42	23	HRC Shipping, Oimex	420,000
Md. Ziaul Islam	Marketing manager	MSS	2009	36	15	Dhaka Community Hospital	300,000

* Mr. Md. Ikramul Islam joined as CFO on March 01, 2016.

Remuneration paid to the Chairman, any other directors:

Name	Position	Qualification	Date of joining	Age (Years)	Experience		Remuneration (BDT)
					Year	Past Experience	
Mrs. Khairun Nesa Lucky	Chairman	MSc.	2012	51	22	HR Shipping, Oimex	1,200,000
M A Maleque	Director & MD	B Agr (Eco)	Inception	51	22	Oimex Electrode Ltd.	2,400,000

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

There is no change otherwise than by way of retirement in the normal course in the senior key management personnel relating to production, planning, finance and marketing of the company during the last three years prior to filling the prospectus except the following:

1. Md. Ikramul Islam has been appointed as Chief Financial Officer on March 01, 2016.
2. Mrs. Nawshin Tasnim appointed as director on 10-09-2015.
3. Md. Abu Taleb appointed as independent director on 10-09-2015.
4. Dr. M. Farid Ahmed appointed as independent director on 15-01-2016.
5. Faruk Ahmed resigned from directorship on 15-01-2016.

It appears from above that; turnover of key management personnel is not high compare to the industry.

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

Name	Father's name	Address	Age	Qualification	Experience	Past position	Present position	Holding in other venture
Mrs. Khairun Nesa Lucky	M M Abdullah	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	51 Years	M Sc	22 Years	Chairman	Chairman	Not involved in venture
M A Maleque	M A Khaleque	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	51 Years	B Ag (Eco)	23 Years	Director & MD	Director & MD	Not involved in venture

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

Name	Acquisition of control	Date of acquisition	Terms of acquisition	Consideration paid for such acquisition
Mrs. Nawshin Tasnim	24.08.2015	24.08.2015	N/A	Cash
	15.01.2016	15.01.2016	N/A	Cash
	30.06.2016	30.06.2016	N/A	Cash

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

All the sponsors/ directors have adequate experience to carry out the line of business.

(n) Interest of the key management persons;

There is no other interest with the key management except board meeting attendance fees received by the directors and Mrs. Khairun Nesa Lucky, Chairman and M A Maleque, Director & Managing Director who are given remuneration.

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

No other pecuniary or non-pecuniary facilities enjoyed by the directors other than board meeting attendance fees received by the directors and remuneration received by Mrs. Khairun Nesa Lucky, Chairman and M A Maleque, Director & Managing Director.

(p) Number of shares held and percentage of share holding (pre-issue):

Sl#	Name of shareholder	Address	No. of shares	Percentage (%)
Shareholdings by the directors				
1	Mrs. Khairun Nesa Lucky	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	6,270,000	20.30%
2	M A Maleque	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	11,954,000	38.70%
3	Mrs. Nawshin Tasnim	House: 2/6, Shajahan Road Mohammadpur, Dhaka	918,000	2.97%
4	Md. Abu Taleb	4/3, South Kalyanpur Estern Housing Project-2, Dhaka	-	N/A
5	Dr. M. Farid Ahmed	27/19 K. M. Das Lane, Tikatuly, Dhaka-1203.	-	N/A
Total			19,142,000	61.97%

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

The following changes in the board of directors were happened during last three years:

On 10-09-2015 Mrs. Nawshin Tasnim had been appointed as director and Md. Abu Taleb had been appointed as independent director which is approved by the shareholders in 10th AGM held on 11-12-2015.

Dr. M. Farid Ahmed appointed as independent director on 15-01-2016 and it will be approved in the next AGM.

(r) Director's engagement with similar business:

None of the Directors are involved with similar business.

(IX) CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

a) TO WHOM IT MAY CONCERN

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

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

Except the following transactions (certified by the auditor)

A: Director Remuneration

Name	Position	Amount in (BDT)				
		Year ended, June 30, 2016	Year ended, June 30, 2015	Year ended, June 30, 2014	Year ended, June 30, 2013	Year ended, June 30, 2012
Mrs. Khairun Nesa Lucky	Chairman	1,200,000	1,200,000	-	-	-
Mr. M A Maleque	Managing Director	2,400,000	2,400,000	-	-	-
Ms. Nawshin Tasnim	Director	-	-	-	-	-
Board meeting attendance fees		90,000				
Total		3,690,000	3,600,000	-	-	-

B. Other Transactions

Name	Name of the Transaction	Amount in (BDT)				
		Year ended, June 30, 2016	Year ended, June 30, 2015	Year ended, June 30, 2014	Year ended, June 30, 2013	Year ended, June 30, 2012
Mr. Faruk Ahmed	Land	-	1,000,000	-	-	-
Total		-	1,000,000	-	-	-

The above balance is certified on the basis of books of accounts, records are other supporting documents for the period from 01 July 2011 to 30 June 2016.

Dated: 28 August, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

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

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/ holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned in SECTION (ix) (a).

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

No loan was taken or given from or to any Directors or any person connected with the Directors of Oimex Electrode Limited.

(X) EXECUTIVE COMPENSATION

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

Name	Designation	Paid as	30-June-16 (BDT)
M A Maleque	Managing Director	Remuneration	2,400,000
Md. Ikramul Islam	CFO (Current charge)	Salary	160,000
Md. Nasir Uddin	DGM & Company Secretary	Salary	420,000
Kamrul Ahsan	Manager	Salary	420,000
Md. Ziaul Islam	Marketing manager	Salary	300,000
Total			1,902,000

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

(Figures in BDT)

Sl#	Particulars	Nature of Payments	30-06-2016
01	Directors	Remuneration	3,600,000
02	Officers	Salary and Allowances	11,856,052

(c) If any shareholder director received any monthly salary/ perquisite/ benefit it must be mentioned along with date of approval in AGM/ EGM, terms thereof and payments made during the last accounting year:

M A Maleque, Director & Managing Director and Mrs. Khairun Nesa Lucky, Chairman of Oimex Electrode Limited have been receiving remuneration for their services to the company since 2015 which is approved by the shareholders in 9th AGM of the company held on December 19, 2014.

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

The board of directors of the Company received Tk.90,000.00 (Taka ninety thousand) only as board meeting attendance fees during the last accounting year as shown in the note-22.01 of the financial statements for the year ended June 30, 2016. The Shareholders of the Company approved it in 9th AGM held on 19-12-2014.

(e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the company and any of its directors or officers regarding any future compensation to be made to them.

(f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

Oimex Electrode Limited has no plan to substantially increase the remuneration paid to its directors and officers in the current year.

(g) Any other benefit/ facility provided to the above persons during the last accounting year:

No other benefit/ facility provided to the above persons during the last accounting year.

(XI) OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

(XII) TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

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

The directors and subscribers to the memorandum of the company have not received any benefit except remuneration and board meeting fees received by Managing Director and Chairman as stated below:

Name	Discription	Amount in BDT				
		30-06-2016	30-06-2015	30-06-2014	30-06-2013	30-06-2012
M A Maleque	Remuneration	2,400,000	2,400,000	-	-	-
	Board meeting fees	20,000	-	-	-	-
Mrs. Khairun Nesa Lucky	Remuneration	1,200,000	1,200,000	-	-	-
	Board meeting fees	20,000	-	-	-	-

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

The company purchased the following assets from the under stated directors and subscribers to the memorandum. Amount paid for the asset by the company, price determination method, acquisition price of the sellers are as follows:

Name	Position	Asset	Amount paid	Acquisition price	Pricing method
M A Maleque	Sponsor & MD	173.90 decimal lands	200,000	Inherited property	Govt. rate
Faruk Ahmed	Ex-Director	327 decimal lands	1,000,000	Inherited property	Govt. rate

(XIII) OWNERSHIP OF THE COMPANY'S SECURITIES**(a)The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage by such ownership:**

Name of subscriber	Address	BO ID	Pre-IPO	
			Shares	%
M A Maleque	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	1605070058666150	11,954,000	38.70%
Mrs. Khairun Nesa Lucky	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	1605070058662370	6,270,000	20.30%
Nawshin Tasnim	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka.	1605070058588920	918,000	2.97%
Faruk Ahmed	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka.	1605070058661870	10,000	0.03%
Mrs. Nargis Begum	Apt-504, Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	1203460001863130	20,000	0.06%
Abul Khair	Apt-801, Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	1202550015454480	20,000	0.06%
Md. Nasir uddin	Flat 5/B, House-12, Road-3, Block-D, Bonosree, Rampura, Dhaka	1605070058653040	10,000	0.03%
Mahboob Alam	House-9, Apt5, Road-6, Sector-5, Uttara, Dhaka	1605070058666470	30,000	0.10%
Mrs. Nurun Nesa Nagbi	87 Lake Circus, Kalabagan, Dhaka	1605070058698240	10,000	0.03%
Hossain Ziyaul Haque	Apt-201, House 2/6 Shajahan Road, Mohammadpur, Dhaka	1605070058666510	10,000	0.03%
Palash Chandra Biswas	H#23 (4th floor), R#13, DIT Project, Merul Badda, Dhaka	1202800053261810	50,000	0.16%
Col. Md. Abdul Latif Talukder	Passport Bhaban, MRP Project, 7-E Ser-E-Banglanagar, Agargaon	1201690039876690	50,000	0.16%
Md. Shahidul Islam	132/1 Green Road, Jahanara Gardens, Dhaka	1202010041410970	50,000	0.16%
S. M. Towhidul Haque	H# 128, R# 10, Block# F, Bashundhara R/A, Dhaka	1201830053214950	50,000	0.16%
Hasnat Sabrina	2/8 P.W.D. Officer's Quarter, R#01, Dhanmondi R/A, Dhaka	1203110026369430	100,000	0.32%
Muhammad Shakawat Hosen	Dhaka Bank Head Office, 3rd floor, Dhaka	1203110026369430	200,000	0.65%
Talukder Rizvi Ahmed	H#545, R# 11, Adabor, Baitul Aman Housing Society, Dhaka	1203680013239610	50,000	0.16%
Md. Jamal Uddin	Mascot plaza (10th floor), Sector 07, Uttara Dhaka	1202630028754810	50,000	0.16%
Md. Abdur Rahim	195/B/2, Shantibag (3rd floor), Malibag, Dhaka	1203180018141070	50,000	0.16%
Talukder Tanvir Ahmed	H#545, R# 11, Adabor, Baitul Aman Housing Society	1203680013239920	50,000	0.16%
Enamul Hoque Talukder	Flat #A3, H#43, R#1, BLC#, Banani, Dhaka	1202150013459200	35,000	0.11%
Hemanta Kumar Paul	33, Umesh Datta Road, 2nd floor, Bakshi Bazar, Dhaka	1201590045129980	25,000	0.08%
Krisna Kanta Das	85 Alpona, Senpara Shibgonj, Sylhet	1201770012131020	50,000	0.16%
Reliance Brokerage Services Ltd	WW Tower (Level-14), 68 Motijheel C/A, Dhaka-1000	1203850038318430	850,000	2.75%
Uttara Finance & Investment Ltd	Jibon Bima Tower (6th floor), 10 Dilkusha, C/A, Dhaka-1000.	1203770012801320	1,000,000	3.24%
BMSL Investment Limited	SBC Tower (7th floor), 37/A, Dilkusha C/A, Dhaka-1000.	1604940020020800	1,015,000	3.24%
Abaci Investment Limited (MDA)*	Rupayan Prime (7th floor), Plot#2, Road#7, Dhanmondi, Dhaka-1205.	1602770045524680	1,910,000	6.18%
MTB Capital Discretionary Portfolio Management**	MTB Tower (Level-3) 111, Kazi Nazrul Islam Avenue, Dhaka 1000.	1605070043500630	1,829,000	5.92%
S & S Enterprise	310, Metro Plaza, Sk. Mujib Road, Dewanhat, Chittagong.	1204280045762700	100,000	0.32%
Kirti Holdings Limited	House#60-D, Road#131, Gulshan South C/A, Gulshan, Dhaka-1212.	1202490058570190	100,000	0.32%

Md. Yeasin	246, Shantibagh (1st floor), Dhaka-1217	1601880002280640	500,000	1.62%
Ishtiaq Ahmed	Civil Acacia; Flat#A1, 34 New Eskaton, PO-1000, Dhaka	1202490000226420	150,000	0.49%
Md. Moniruzzaman	410/C Khilgaon, Dhaka-1219	1203730007301410	50,000	0.16%
Md. Ruhul Amin	105/A, Bara Moghbazar, Dhaka	1601880009682710	200,000	0.65%
Arif Morshed Azad	5th floor, House-5, Road-9, Sector-13, Uttara, Dhaka	1202490057663390	50,000	0.16%
Muhammad Mahfuzur Rahman	H#673-4, R#4, Section#7, Mirpur, Dhaka-1216	1203620016770030	50,000	0.16%
Md. Iftekharul Islam Bhuiyan	271/32, Niribili Housing, Sankar, Mohammadpur, Dhaka	1202490057548400	50,000	0.16%
Syed Sakib Naimuddin	27 Panchlaish R/A, Chittagong	1202090043529560	200,000	0.65%
Md Akram Hossain	Vill: Dhupoil Chakpara, Post: Doyarampur, Than: Lalpur, Dist: Natore.	1201590059584340	250,000	0.81%
Md. Shah Alam	Road# 2, House# 23/A, Apt#2C, Old DOHS, Dhaka-1206	1203710048529240	100,000	0.32%
Fysul Kabir	Flat# C/3, Block#B, 8/1 Lalmatia, Dhaka-1207.	1203800015274270	50,000	0.16%
Mohammed Emran	West Shahid Mirza Line, Mehed Bag, Dampara, Kotuwali, Ctg	1203680058437020	100,000	0.32%
Md. Mofizur Rahman	Suite# 414, DSE Bldg, 3rd floor, 9/F Motijheel, Dhaka-1000.	1203310004463340	100,000	0.32%
Pijush Saha	55/13, S. M. Maleh Rd, Tanbazar, Narayanganj.	1203680044960830	50,000	0.16%
Md. Mozharul Hoque	Sayeman heritage R/A, Syeman Road, Baharghara, Cox's bazar	1202880035504730	50,000	0.16%
Md. Anisul Haque Patwary	Budget officer, CDA building, Kotwali, Ctg.	1203680048880900	50,000	0.16%
Zahed Hossan	The Car Emporium, 123 CDA Avenue, Muradpur, Chittagong.	1203680057681180	80,000	0.26%
Md. Masudur Rahman	177/A Harun Shaver Bldg, Hajee Emdad Ali Road, Mohammadpur, Panchlaish, Ctg.	1203680057496000	130,000	0.42%
Md. Aurangeb Shimul	6/E Mayakanon, Bashaboo(Ground Floor) Dhaka-1214.	1605070051421560	50,000	0.16%
Md. Uzzal Hossain	Vill-Durgapur, Post-Laxmanpur, P.S-Sharsha, Jessore.	1201590058141400	40,000	0.13%
Romana Rouf Chowdhury	Rangs Bhaban (2nd floor), 117/A Old Airport Road, Tejgaon, Dhaka-1205.	1605070058536190	250,000	0.81%
Md. Masum Billah	55/B Purana Paltan, Noakhali Tower (4th floor), Dhaka.	1605070058536200	100,000	0.32%
Sohel Parvez	356 Elephant Road, Dhaka-1205.	1201610045039200	150,000	0.49%
Md. Nazrul Islam	Flat#1/502, 106, Central Road, New Market, Dhaka-1205.	1201520040543730	100,000	0.32%
Baddul Haider Chowdhury	8/D, Globe Nibash, 15/1, Lake Circus Rd, Dhaka-1205.	1201520045089410	100,000	0.32%
Mohammad Abul Hossain Hasan	Flat#2-D, Chamelibag, Santinagor, Dhaka-1217.	1205590052203090	100,000	0.32%
Mohammad Faijunnur Chowdhury	MTB Tower (Level-3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000.	1601880000235990	50,000	0.16%
Md. Nuruzzaman	Doric Chandrima, Flat#B/2, 48 Siddeshwari Lane, Dhaka-1217.	1201940047607930	150,000	0.49%
Maksuda Akter Santona	Vill : Elahinagor, Post : Shabdi Bazar, Thana : Sonargaon, Dist : Narayanganj	1605070043500630	50,000	0.16%
Md. Abul Bashar Khan	Share section, Jamuna Oil Co. Ltd. Jamuna Bhaban, Agrabad, Ctg.	1203570009425320	50,000	0.16%
Md. Faruquzzaman Bhuiyan	160, South Kamalaru, Dhaka-1217.	1605070054802850	91,000	0.29%
Fahima Akter	Flat-B-3, 28 Free School Street, Hatirpool, Dhaka.	1605070058683100	115,000	0.37%
Md. Ziaul Hossain	Flat#FG-3, Rajanogondha Karabi, 80 West Dhanmondi, Road-9A, Dhaka.	1202830018684280	100,000	0.32%

Mohammed Masum Iqbal	Asso Prof. Daffodil Intl. University, Dhaka.	1204240054102320	20,000	0.06%
Shah Mohd. Feruz	Silicon Electronics & Computers, 133 Aziz Super Market, Dhaka.	1605070058682390	100,000	0.32%
Rowfur Rahim	House# 726, SK Nur, Nururchala, Vatara.	1203960052396510	40,000	0.13%
Shoma Rani Mittra	82/2F, Room#502, K M Das Lane, Tikatuli, Dhaka-1205.	1605070058920650	10,000	0.03%
Md. Abdur Rahim	M/S, Bara Awliya Store, 232/8, Nobi Super Market, Khatungonj, Ctg	1203680054315540	100,000	0.32%
Shahana Sharmin	Civil Acacia; Flat# A1, 34, New Eskaton, PO: 1000, Dhaka.	1202490017019190	50,000	0.16%
Total			30,892,000	100%

(b) Share holding position of all directors including percentage, position held in other companies of all the directors before the public issue:

Name	Address	Age	Experience	BO ID	TIN Number	Pre-IPO	
						Shares	%
M A Maleque	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	51 Years	22 Years	1605070058666152	351807700734	11,954,000	38.70%
Mrs. Khairun Nesa Lucky	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka	51 Years	23 Years	1605070058662379	429122109894	6,270,000	20.30%
Nawshin Tasnim	Shams Tower, 2/6 Shajahan Road, Mohammadpur, Dhaka.	22 Years	2 Years	1605070058588920	174474804349	918,0000	2.97%
Md. Abu Taleb	4/3, South Kalyanpur Estern Housing Project-2, Dhaka	56 Years	29 Years	N/A	774906884500	N/A	N/A
Dr. M. Farid Ahmed	27/19 K. M. Das Lane, Tikatuly, Dhaka-1203.	63 Years	36 Years	N/A	315243760818	N/A	N/A

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

Certificate on average cost of requisition of equity share by the Directors of 'Oimex Electrode Limited' as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD /2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that the average cost of acquisition of equity shares by the Directors of Oimex Electrode Limited have been allotted at face value in cash and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Name-wise shareholding position, allotment date and consideration are given below:

Date of Allotment	Allotment / Transfer	Mrs. Khairun Nesa Lucky (No. of Share)	M A Maleque (No. of Share)	Nawshin Tasnim	Consideration	Cost per Share (Tk.)	Average Cost per Share (Tk.)
September 18, 2015 (Incorporation)	Allotment	20,000	20,000	-	Cash	10.00	10.00
July 20, 2014	Allotment	850,000	1,090,000	-	Cash	10.00	10.00
October 09, 2014	Allotment	1,900,000	3,400,000	-	Cash	10.00	10.00
August 24, 2015	Allotment	3,500,000	7,500,000	830,000	Cash	10.00	10.00
January 15, 2016	Transfer	-	(56,000)	56,000	Cash	10.00	10.00
June 30, 2016	Allotment	-	-	32,000	Cash	10.00	10.00
Total		6,270,000	11,954,000	918,000			

The company subdivided the face value of its ordinary share from Tk. 100 to Tk. 10 on dated February 02, 2014 by special resolutions in the Extra Ordinary General Meeting and necessary amendments in the capital clause of the Memorandum of Association and Articles of Association were made accordingly.

The above information is based on books and records provided by the management.

Date: August 28, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors:

(i) Mrs. Khairun Nesa Lucky, Chairman

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
Septem18, 2005 (Incorporation)	Cash	Ordinary shares	20,000	10	10	20,000	20.30%	13.66%	Own source
July 20, 2014	Cash	Ordinary shares	850,000	10	10	870,000			
October 09, 2014	Cash	Ordinary shares	1,900,000	10	10	2,770,000			
August 24, 2015	Cash	Ordinary shares	3,500,000	10	10	6,270,000			

* Denomination of the ordinary shares of Oimex Electrode Limited has been changed from Tk.100 to Tk.10 each on 02-02-2014. Initial shares are considered @Tk.10 each.

(ii) M A Maleque, Director & Managing Director

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
Septem18, 2005 (Incorporation)	Cash	Ordinary shares	20,000	10	10	20,000	38.70%	26.00%	Own source
July 20, 2014	Cash	Ordinary shares	1,090,000	10	10	1,110,000			
October 09, 2014	Cash	Ordinary shares	3,400,000	10	10	4,510,000			
August 24, 2015	Cash	Ordinary shares	7,500,000	10	10	12,010,000			
January 15, 2016	Cash	Ordinary shares	(56,000)	10	10	11,954,000			

* Denomination of the ordinary shares of Oimex Electrode Limited has been changed from Tk.100 to Tk.10 each on 02-02-2014. Initial shares are considered @Tk.10 each.

(iii) Mrs. Nawshin Tasnim, Director

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
August 24, 2015	Cash	Ordinary shares	830,000	10	10	830,000	2.97%	2.00%	Own source
January 15, 2016	Cash	Ordinary shares	56,000	10	10	886,000			
June 30, 2016	Cash	Ordinary shares	32,000	10	10	918,000			

(iv) Md. Abu Taleb, Independent director

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(v) Dr. M. Farid Ahmed, Independent director

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

No shares have been issued by the company at a price lower than the issue price.

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

Date of Allotment	Mrs. Khairun Nesa Lucky	M A Maleque
18-09-2005 (Incorporation)	20,000	20,000
20-07-2014	850,000	1,090,000
09-10-2014	1,900,000	3,400,000
24-08-2015	3,500,000	7,500,000
15-01-2016 (Transfer)	-	(56,000)
Total	6,270,000	11,954,000

(XIV) CORPORATE GOVERNANCE

(a) Disclosure by the issuer regarding the compliance position of Corporate Governance Guidelines of the Commission:

This is to declare that Oimex Electrode Limited has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

M A Maleque

Managing Director

Oimex Electrode Limited

(b) Certificate of compliance on corporate governance of Oimex Electrode Limited

We have examined the compliance status of **Oimex Electrode Limited** regarding conditions of corporate governance guidelines issued by the **Bangladesh Securities and Exchange Commission** as stipulated in condition no. 7(i) of the BSEC notification No. SEC/CMRRCE/2006-158/134/Admin/44 dated August 7, 2012.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the company for ensuring the compliance of conditions of corporate governance guidelines and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, the company has complied with the conditions of corporate governance guidelines stipulated in the above mentioned BSEC notification dated August 7, 2012.

Sd/-

Ramensath Basak, FCA

Partner

Shiraz Khan Basak & Co.

Chartered Accountants

Date: September 01, 2016

OIMEX ELECTRODE LIMITED
CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT
UNDER CONDITION NO.-7.00

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/ CMRRCD/ 2006 - 158/ 134/ Admin/ 44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	Board of Directors			
1.1	Board's Size: The number of board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		
1.2	Independent Director			
1.2 (i)	Independent Director: At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors	✓		
1.2 (ii) a)	Does not hold any share or hold less than one percent (1%) shares of total paid up capital	✓		
1.2 (ii) b)	Not connected with the company's Sponsor/ Director/ Shareholder who holds 1% or more shares of the total paid up capital on the basis of family relationship	✓		
1.2 (ii) c)	Do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated Companies	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange.	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		
1.2 (ii) g)	Not be an independent directors in more than 3 (three) listed companies.	✓		
1.2 (ii) h)	Not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI).	✓		
1.2 (ii) i)	Not convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM	✓		Approved in the 10 th AGM on 11.12.15
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		Appointed on 10.09.15
1.2 (v)	The board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded	✓		
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity	✓		

1.3 (ii)	The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	√		
1.3 (iii)	In special cases qualification may be relaxed	N/A		N/A
1.4	Chairman of the board and CEO be different person	√		
1.5	Directors report to shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	N/A		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments	√		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc	N/A		N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√		
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained	√		
1.5 (xiii)	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)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS) /Bangladesh Financial Reporting Standards (BFRS), as --applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	√		

1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	√		
1.5 (xx)	Number of Board meetings held during the year and attendance by each director shall be disclosed	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1 5 (xxi) a)	Parent/ Subsidiary/ Associated Companies and other related parties (name wise details);			N/A
1 5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		-
1 5 (xxi) c)	Executives (top five salaried employees of the company other than stated in 1 5(xxii)b);	√		-
1 5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1 5 (xxii)	In case of appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:			
1 5 (xxii) a)	A brief resume of the Director	√		
1 5 (xxii) b)	Nature of his/ her expertise in specific functional areas	√		
1 5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
2 0	Chief financial officer, head of internal audit & company secretary			
2 1	Appointment of CFO, head of internal audit and company secretary and their clearly defined roles, responsibilities and duties	√		
2 2	Attendance of CFO and the company secretary at board of directors meeting	√		
3	Audit committee:			
3 (i)	Audit committee shall be the sub-committee of the board of directors	√		
3 (ii)	The audit committee shall assist the board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3 1	Constitution of the Audit Committee			
3 1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3 1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director	√		
3 1 (iii)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience	√		
3 1 (iv)	Filling of casual vacancy in committee	√		
3 1 (v)	The Company Secretary shall act as the secretary of the Committee	√		
3 1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		

3 2	Chairman of the Audit Committee		
3 2 (i)	Chairman of the Audit Committee shall be an Independent Director	√	
3 2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√	
3 3	Role of Audit Committee		
3 3 (i)	Oversee the financial reporting process	√	
3 3 (ii)	Monitor choice of accounting policies and principles	√	
3 3 (iii)	Monitor Internal Control Risk management process	√	
3 3 (iv)	Oversee hiring and performance of external auditors	√	
3 3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	√	
3 3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval	√	
3 3 (vii)	Review the adequacy of internal audit function	√	
3 3 (viii)	Review statement of significant related party transactions submitted by the management	√	
3 3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√	
3 3 (x)	Disclosure about the uses/applications of funds raised by IPO/ RPO/ Right issue.		N/A
3 4	Reporting of the Audit Committee		
3 4 1	Reporting to the Board of Directors		
3 4 1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√	
3 4 1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	√	
3 4 1 (ii) a)	Report on conflicts of Interests	√	
3 4 1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	√	
3 4 1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	√	
3 4 1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	√	
3 4 2	Reporting of anything having material financial impact to the Commission	√	
3 5	Reporting to the Shareholders and General Investors	√	
4	External/ statutory auditors:		
4 (i)	Appraisal or valuation services or fairness opinions	√	
4 (ii)	Financial information systems design and implementation	√	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	√	
4 (iv)	Broker-dealer services	√	
4 (v)	Actuarial services	√	
4 (vi)	Internal audit services	√	
4 (vii)	Any other service that the Audit Committee determines	√	
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit	√	

	assignment of that Company			
5	Subsidiary company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			N/A
5 (iv)	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
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company			N/A
6	Duties of chief executive officer (CEO) and chief financial officer (CFO):			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		
7	Reporting and compliance of corporate governance:			
7 (i)	Obtain certificate of compliance of conditions of corporate governance guidelines of the Commission	√		
7 (ii)	Annexure attached in the Directors' report	√		

(c) Names of the members of both audit committee and remuneration committee are as follows:

Audit committee members	Remuneration committee members
Dr. M. Farid Ahmed, Chairman Mrs. Khairun Nesa Lucky, Member M A Maleque, Member	Md. Abu Taleb, Chairman Mrs. Khairun Nesa Lucky, Member M A Maleque, Member

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

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual "Audit Plan" of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.

- To review the quarterly, half yearly and annual financial statements before submission to the Board.
- To review the company's statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

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

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

(XV) VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

The management of **Oimex Electrode Limited** consultation with the issue manager fixed the offering price of the ordinary shares at Tk.10.00 each (at par) based on the calculations and justifications as stated below:

	Methods followed	Amount in BDT
Method-1:	Net assets value per share	14.87
Method-2:	Historical earning based value per share	25.50
Method-3:	Average market price per share of similar stocks	143.86

Calculation of methodologies

Method-1: Calculation of net asset value (NAV) per share:

As per audited financial statements

Particulars	30-06-2016
Total assets	666,207,063
Less: Total outside liabilities	206,931,070
A. Net assets	459,275,992
B. Number of ordinary shares outstanding	30,892,000
Net asset value (NAV) per share (A/B)	14.87

Method-2: Historical earning based value per share:

Historical earning based value calculated on the basis of weighted average net profit after tax for immediate preceding five years. Information extracted from audited financial statements.

Year/ period end	No. of shares outstanding	Net profit after tax (Amount in BDT)	Weight of total No. of shares	Weighted net profit after tax (BDT)
30-June-16	30,892,000	64,206,768	78.66%	50,506,098
30-June-15	8,200,000	58,918,796	20.88%	12,302,254
30-June-14	100,000	11,874,101	0.25%	30,236
30-June-13	40,000	8,105,582	0.10%	8,256
30-June-12	40,000	2,441,925	0.10%	2,487
Total	39,272,000	145,547,172	100.00%	62,849,331
Latest number of ordinary shares outstanding				30,892,000
Weighted average earnings per share				2.03
Average DSE Market P/E (A)				12.56
Historical earning based value				25.50

(A) Average Price Earnings of Market & Sectoral:

Month	Sectoral	Market
April-2016	12.39	13.86
May-2016	12.69	14.33
June-2016	12.60	14.61
Average	12.56	14.27
Considered lower of Market & Sectoral P/E multiple i. e. 12.56		

Sources: Monthly review published by Dhaka Stock Exchange Ltd.

Method 3: Average market price per share of similar stocks:

Last one year (month ended) closing share price of similar stocks

Sl#	DATE	BD Welding Ltd.	Linde Bangladesh Ltd.
01	30-Jun-16	10.1	1,437.00
02	31-May-16	10.1	1,374.30
03	28-Apr-16	11.8	1,199.80
04	31-Mar-16	16.3	1,065.20
05	29-Feb-16	17.1	1,123.30
06	31-Jan-16	19.2	1,136.50
07	31-Dec-15	16.7	1,138.40
08	30-Nov-15	17.7	1,199.40
09	29-Oct-15	19.2	1,187.10
10	30-Sep-15	23.3	1,305.10
11	31-Aug-15	22.5	1,109.10
12	30-Jul-15	21.8	1,206.70
Average		17.15	1,206.83
Geometric average of the averages		143.86	

Sources: Monthly review published by Dhaka Stock Exchange Ltd.

Oimex Electrode Limited is growing day by day and has a track record of profitability over the years. It has a significant market share and it is a complied company. We have analyzed the financial statements of the company and calculated the above values to set its offer price. After consultation with the company the offer price is set at Tk.10 each (at par) which we think is justified.

Sd/-

Md. Kamrujjaman

Manager Public Issue and Corporate Advisory
MTB Capital Limited

Sd/-

Khairul Bashar Abu Taher Mohammed

Chief Executive Officer and EVP
MTB Capital Limited

(XVI) DEBT SECURITIES

Oimex Electrode Limited has not issued or not planning to issue any debt securities within next six months.

(XVII) PARTIES INVOLVED AND THEIR RESPONSIBILITIES, AS APPLICABLE

Parties involved with OEL		Responsibilities
(a) Issue Manager	MTB Capital Limited,	The Issue Managers will act as the manager to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriters	(i) MTB Capital Limited (ii) Uttara Finance & Investments Ltd (iii) NBL Capital & Equity Management Ltd.	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(c) Auditors	AHMAD & AKHTAR Chartered Accountants	To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA) and other laws and regulations.
(d) Cost Management Accounts	N/A	N/A
(e) Valuer	N/A	N/A
(f) Credit Ratings	N/A	N/A

(XVIII) MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

(a) Major agreements entered into by the issuer;

- i) Underwriting agreement between the company and the underwriters.
- ii) Issue management agreement between the company and the managers to the issue.

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

(b) Material parts of the agreements; Underwriting agreement:

As per Rule 12 of the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015, the board of directors of the issuer company has appointed the following underwriters having certificate of registration from the Bangladesh Securities and Exchange Commission to carry out the purpose of underwriting on a firm commitment basis:

- (1) MTB Capital Limited
- (2) Uttara Finance & Investments Ltd.
- (3) NBL Capital & Equity Management Ltd.

The Initial Public Offering (IPO) is for 15,000,000 ordinary shares of Tk. 10.00 each at par amounting to Tk. 150,000,000 of Oimex Electrode Limited. As per the guidelines of the Bangladesh Securities and Exchange Commission, 35% of the said amount i.e. 5,250,000 ordinary shares of Tk. 10.00 each at par amounting to Tk. 52,500,000 has been underwritten by the underwriters in the following proportion:

Name of underwriters	No. of shares underwritten	Amount underwritten (BDT)
MTB Capital Limited	3,500,000	35,000,0000
Uttara Finance & Investments Ltd.	875,000	8,750,000
NBL Capital & Equity Management Ltd.	875,000	8,750,000

Major parts of underwriting agreement:

- (i) The Company shall issue **15,000,000** Ordinary Shares of Tk. **10.00** per share for public subscription publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provision of this Agreement.
- (ii) As per guideline of the Bangladesh Securities and Exchange Commission, 35% of the IPO (i.e; for Tk. 52,500,000.00) shall have to be underwritten by the underwriters, subject to the terms stated as follows:

The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of subscription closer), if any of the following events occur:

 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the Stock Exchange(s) concerned; or
 - (b) At least 65% of the IPO is not subscribed.
- (iii) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission **0.50% (zero point five zero percent)** on the amount underwritten.

- (iv) If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten) days** of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen) days** after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/ Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/ Bank Draft has been encashed and the Company's share subscription account credited.

In any case within **7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/ Issuer will be under no obligation to pay any underwriting commission under this Agreement.

Issue management agreement:

1. MTB Capital's Role

(i) Public offering:

- a) Act as issue manager and corporate advisor to Oimex Electrode Limited for their upcoming IPO.
 - b) Advise on valuation and pricing of the IPO.
 - c) Prepare the prospectus for the IPO.
 - d) Advise and assist Oimex to arrange an underwriting syndicate for the IPO.
 - e) Advise and assist Oimex in dealings with regulatory authorities and the stock exchanges.
 - f) Advise on financial strategy for restructuring of offer and modification of projects, if required.
2. The issue manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, Listing Rules of the Stock Exchanges, Companies Act 1994, Securities and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines etc.
 3. Neither Oimex nor any person acting on its behalf will initiate any discussion concerning the object of this Agreement, other than with its legal advisers, without first consulting with MTB Capital. OEL and its management undertake to promptly inform MTB Capital of any inquiries they may receive in this regard. Neither OEL nor any person acting on its behalf will, directly or indirectly, except through MTB Capital, sell, offer, attempt to offer to dispose of, or solicit any offer to buy, or otherwise approach or negotiate in respect of any matter covered by this Agreement and OEL confirms that neither OEL nor any person acting on its behalf has been engaged in any such matter prior to the date of this letter except as disclosed in writing to MTB Capital.
 4. Any written or oral advice provided by MTB Capital in connection with its engagement is exclusively for the information of Oimex. Senior management of Oimex may not disclose such information to any third party or referred to public without the prior written consent of MTB Capital. MTB Capital agrees not to disclose, circulate or to refer to such advice publicly without the prior written consent of Oimex.
 5. This Agreement shall be governed by, and construed in accordance with the Laws of Bangladesh. In connection with any legal proceedings arising with respect to this Agreement, Oimex and MTB Capital hereby irrevocably submit to the jurisdiction of the Bangladesh Courts.
 6. All questions of differences whatsoever which may at any time hereinafter arise between the parties hereto or their respective representatives touching these presents or the subject matter hereof or arising out of or in connection thereto respectively and whether as to construction or otherwise shall be referred to a single arbitrator in case the parties agree upon one Arbitrator, otherwise two Arbitrators to be appointed by each party in accordance with the provisions of the Arbitration Act, 2001 (Act - I of 2001) or any statutory modification thereof for the time being.

(c) Fees payable to different parties entered into the agreements:

Sl#	Particulars	Fees (BDT)
a)	Underwriting agreement with the aforesaid underwriters	262,500
b)	Issue management agreement with MTB Capital Limited	1,500,000

Interested persons can inspect copies of the above mentioned contracts and documents and the consent letter for IPO from the Bangladesh Securities and Exchange Commission on any working day during office hours at the company's registered office.

(XIX) OUTSTANDING LITIGATIONS, FINE OR PENALTY

(a) There are no outstanding litigations against the issuer or any of its directors and no fine or penalty has been imposed by any authority regarding the followings:

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

(b) There are no outstanding cases filed by the company or any of its directors relating to the followings:

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

(XX) RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

An investment in shares involves a high degree of risk. The company operates in a field involving some internal/ external risk factors and among those some are avoidable others are beyond control which may cause loss. Investors should carefully consider all the information disclosed in this prospectus including the risks and uncertainties described below before making an investment decision in company's shares. The management of Oimex Electrode Limited perceives the risk factors which are as follows:

(i) Internal risk factors

a) Credit risk:

Credit risk is the risk of default on a debt. It may arise due to default by the borrower to pay the loan. In operating any business there are credit risks as there is always lending and borrowing between parties in the form of money and goods.

Management perception:

The Company has the ability to pay its own debts and thus no such risk will arise in near future. Credit sales and advance to suppliers, interest free advance against employees' salary may also arise credit risk. The company provide advance, credit facility to its loyal and reliable customers who have a good track record of credit and have the ability to repay the debt. The company has dedicated credit collection team. To mitigate the credit risk, the management of the company follows strong credit control and collections policies.

b) Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company may not be able to convert its current assets to cash or cash equivalent without a loss of capital or income.

Management perception

Oimex conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. The company manages its working capital in efficient way to maintain required liquidity. We are also controlling regular payment of cheques, cash inflow and outflow, maturity of deposits and our access to other funding sources as and when required.

c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:

Management perception:

The company has no subsidiary, joint ventures and associates. So, no such risk arisen.

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

Management perception:

We are not dependent on any particular or limited number of customers to operate our business and our management is always keen to findout new buyers which boost up the sales. The company products are distributed through district wise dealers. The dealers supply the products to different engineering, construction and developer companies and other areas where needed. We maintain a good relationship with our customers and takes feedback about their products. There is less chance to lose customers and losing any one will not affect company's profitability for its demand, high quality and competitive price.

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

Management perception:

The company has many suppliers of raw materials and thus, it gets competitive advantage of cheaper price of raw materials. It imports raw materials from different suppliers of different countries and maintaining a good relationship with its suppliers. The management of the company is aware about the risk and continues to search for low cost raw material suppliers from different countries. Oimex has alternative options for purchasing raw materials. If any supplier is unable or disagree to supply raw materials then the company will go for next best alternative supplier immediately.

f) Risk of generating more than 20% revenue of the issuer's sister concern or associate or subsidiary:

Management perception:

The company has no sister concern, associate or subsidiary company, so no such risk will be arisen.

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

Management perception:

The company has positive earnings, increasing turnover and profitability during the last five years. We have been operating our business efficiently and growing day by day. We have positive operating cashflow in latest two accounting years. However, there was negative operating cash flow in some years. It happened due to business growth, increased inventories and receivables, advances, deposits and prepayments in those years that affected our operating cash flow. But it was not threat for us as a going concern.

h) Loss making associate/ subsidiary/ group companies of the issuer:

Management perception:

The company has no associate, subsidiary, group companies, so no such risk arises.

i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates:

Management perception:

Oimex is financially sound and performing very well. It has no associate, subsidiary, group companies, so no such risk arises.

j) Decline in value of any investment:

Management perception:

The company has no such investment. Therefore, no such risk arises.

k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:

Management perception:

The company has been using brand new machineries since inception. It has no plan to purchase second hand/ reconditioned machineries. Hence, no such risk arises.

l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled:

Management perception:

OEL has neither provided any loan to related party nor taken any loan from such related parties. So, it is free from such risk.

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

Management perception:

The sponsors/ directors of the company are not involved with any other business in the same line business and none of its raw material suppliers or major customers are involved in such transaction.

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

Management perception:

All of the transactions of the company are conducted in a normal course of business. There is no as such transaction which may adversely affect competitive edge.

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

Management perception:

There is no such agreement with any shareholders, sponsors or any agreement relating to debt or preference shares having restrictive covenants or any restrictive covenants of banks in respect of loan or credit limit and other banking facilities.

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

Management perception:

The management of the company provide competitive package for all employees and offer different benefits to its employees. We believe that if employees have job satisfaction then they will give their best effort to perform their duties. The management also keeps a good relationship with its employees and workers. However, employee unrest is a part of business and it is important to deal with labor unrest efficiently. The company has different incentive packages and policies to face those uncertainties.

q) Seasonality of the business of the issuer:

Management perception:

There is no significant seasonal aspect on the company's business.

r) Expiry of any revenue generating contract that may adversely affect the business:

Management perception:

The company did not enter into such contact with any of its customers or suppliers. So, no such risk arises.

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

Management perception:

Oimex is has very good balanced debt to equity ratio, debt to total asset ratio, time interest earned ratio, debt service ratio in the last five years. So, no such risk arises.

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

Management perception:

We believe that the business will be more fruitful when the entire work is done as a team. The company is aware of the responsibilities risk. Each position holder has some specific job responsibility. And every key job has alternative options to perform. So, any absence of any management personal will not affect the running operation of the business.

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

Management perception:

The company does not have any contingent liabilities which may adversely affect financial condition.

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

Management perception:

The company has different insurance coverages for all relating issues that are risky to operating our business.

w) Absence of assurance that directors will continue its engagement with company after expiry of lock-in period:

Management perception:

Sponsors are directors from the inception. Oimex is a growing and profitable business and now going for listing which will increase the image, compliance issues and overall business of the company. Directors are not involved in any other organizations. So, they will continue the business after expiry of lock-in period.

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

Management perception:

Oimex is a profitable entity and it has sufficient profit in present capacity to pay dividend even for the post issue number of shares. With the expansion plan including expanded working capital need to be implemented with the net IPO proceeds, the future profit will be almost double.

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

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

Management perception:

We know that, if operation is closed for one day it can hamper supply to our customers. In any situation, we do not compromise with our operation. Our company is operating continuously from the inception to till date. For the smooth operation, we are very serious about our responsibilities towards our employees and workers. We have power supply back up with generator for uninterrupted operation as well.

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

Management perception:

There is no as such risk relating to engagement in new type of business.

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

Management perception:

Oimex Electrode Limited is a growing and profitable company and it will be better and will continue in upcoming days. It has efficient management and opportunities. So, it is not risky in investing securities in comparison with other available investment options.

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

Management perception:

No penalty or action has been taken against the company by any regulatory authorities for non-compliance with provisions of any law.

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

Management perception:

There is no litigation relating to Tax, VAT or other government claims outstanding against our company.

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

Management perception:

Our factory building is owned by us and on our own land. The corporate office is rented for a long time and the rental is favorable to prevailing market rate.

ee) Lack of renewal of existing regulatory permissions/ licenses:

Management perception:

All of the regulatory permission and licenses are up to date and duly renewed.

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

Management perception:

The company is regular in holding AGM and paying interest in regular basis. It has sufficient retained earnings which are engaged for company business for its increased demand and growth. For further fund requirement, the company is going for public issue. It has a plan to declare good dividend to its investors after listing. It has does not have any subsidiary or associates and thus no such risk arisen.

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

Management perception:

Oimex Electrode Limited did not issue any shares at lower than the IPO offer price within one year.

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

Management perception:

Such cases did not happen for our company.

(ii) External risk factors may include among others:

a) Interest rate risk:

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase the interest rates. High rate of interest may adversely affect the operating results and financial performance of the company with additional financial charges and squeezes the profit of the company.

Management perception:

The management of the company is always aware of the interest rates at which the debts of the company are being financed. Management finances both long-term & short-term funds at competitive rates. The company has been repaying borrowed funds on a continuous basis to reduce such interest rate risk. The present trend of interest rate is negative which is favorable for the company.

b) Exchange rate risk:

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.

Management perception:

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.

c) Industry risks:

i. Market demand:

Company's sales and revenues are depended on the aggregate demand of its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of the company products.

Management perception:

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:

Instability in raw materials and energy costs may hamper the profitability of the company significantly. A recent government decision regarding escalation of electricity prices will put a huge pressure on the product cost of the local business.

Management perception:

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. For power and electricity, Oimex Electrode Limited has own power generator for uninterrupted production. The electricity cost is same for all other competitors. So, it will be adjusted with price accordingly.

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

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

Management perception:

Bangladesh economy is booming for 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:

Bangladesh is prone to serious unrest in the political condition which produces hartal, road-block and many other barriers to the business. This could also push the cost of the product upwards.

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.

e) Market and technology related risks:

Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may hamper the success of the business. Technological development may obsolescence the old machineries which may hamper the profitability of the company's overall business.

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.

f) Potential or existing Government regulations:

The company operates under Companies Act, Taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s Rules and Rules adopted by regulatory bodies. Any abrupt changes of the policies formed by those bodies will impact the business of the company adversely.

Management perception:

Economy of Bangladesh has been developing over the decades because of business friendly Rules and Regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the industry as a whole, the business of the company will not be affected.

Government emphasizes on the growth of local industry to meet the local need. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms and conditions, which will eventually help the industry to compete with the low cost locations in the global arena and to save foreign currency.

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

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike or global or national policy change may hamper the profitability.

Management perception:

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

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

Management perception:

We have collected all the statutory clearance to operate our business. Hence, there is no as such risk for our company.

i) Competitive condition of the business:

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

Management perception:

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

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

Management perception:

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

Other risks:

Risk related to low earning base company:

Management perception:

The production capacity, sales, earnings and profitability are interrelated. The continuous growth of the company and expansion in recent years is noticeable. It could manage remarkable earnings in the very recent periods.

The proposed BMRE may not be implemented as per the company's expectation which may affect the growth and profitability of the company:

Management perception:

The company has a plan to expand its production capacity procuring some new machinery with the net proceeds of IPO. An implementation schedule in this regards is mentioned in the draft prospectus under the caption **Use of proceeds**. Estimated time mentioned there is based on the previous experience of the company. Since the company is procuring plant and machineries on a regular basis there should not have any unusual uncertainty.

Risk of non-availability of electricity and other utilities:

Management perception:

The company is getting required electricity from Rural Electrification Board (REB). In addition, the company has its own power generator for uninterrupted production. It does not require any gas. Required water is supplied by its own deep tube-well and distilled water plant. So, risks of non-availability of electricity and other utilities are absent here.

(XXI) DESCRIPTION OF THE ISSUE**(i) Number of securities to be issued:**

15,000,000 ordinary shares of Tk.10/- each (at par) totaling to Tk.150,000,000/-

(ii) Authorized capital and paid-up capital:

Authorized capital is Tk.500,000,000/-, pre-IPO paid-up capital is Tk.308,920,000/- and post IPO paid-up capital is Tk.458,920,000/-.

(iii) Face value, premium and offer price per unit of securities:

Face value is Tk.10/- each with no premium and offer price is Tk.10/- per share.

(iv) Number of securities to be entitled for each category of applicants:

Category	Particulars	Number of Shares	Issue Price per Share	Amount in BDT
Eligible investors (EIs)	10% of IPO i.e. 1,500,000 Ordinary Shares shall be reserved for Mutual Funds	1,500,000	10.00	15,000,000
	40% of IPO i.e. 8,800,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	6,000,000		60,000,000
General public	10% of IPO i.e. 2,200,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRBs)	1,500,000		15,000,000
	40% of IPO i.e. 8,800,000 Ordinary shall be reserved for ডাক্তিগ্রস্থ ড়াদ্র বিনিয়োগকারী and General Public	6,000,000		60,000,000
Total		15,000,000		150,000,000

(v) Holding structure of different classes of securities before and after the issue:

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

Sl#	Category of shareholders	Before the present issue		After the present issue	
		Ordinary shares	%	Ordinary shares	%
01	Sponsors & Directors	19,142,000	61.96%	19,142,000	41.71%
02	Institutional	6,804,000	22.03%	12,804,000	27.90%
03	Mutual fund	-	-	1,500,000	3.27%
04	Individual	4,946,000	16.01%	10,946,000	23.85%
05	NRBs	-	-	1,500,000	3.27%
	Total	30,892,000	100%	45,892,000	100%

(vi) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Net proceeds from Initial Public Offering (IPO) will be used for acquisition of capital machineries & equipments and raw materials for expanded capacity. Summary of feasibility report with the enhanced paid-up capital is as under:

Sl#	Particulars	Amount in BDT
1	Capital Machineries and equipment	85,000,000
2	Raw materials for expanded capacity	50,000,000
	Total	135,000,000
	IPO Expenses	15,000,000
	Grand Total	150,000,000

Apart from above Tk. 15,000,000 will be used for IPO expenses out of total IPO proceeds. The feasibility report in respect enhanced paid-up capital as prepared by **Research and Development Concern** is enclosed below:

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

Assumption Indicator	Assumption's Basis	Assumptions Years		
		30-Jun-17	30-Jun-18	30-Jun-19
Capacity Increase	Capacity will be increased as new machineries will be introduced.	27%	23%	9%
Capacity utilization	Capacity utilization will be almost same.	85-90%	85-90%	85-90%
Sales revenue increase	Sales will be increased for quality products by the increase of sales volume and unit price.	30%	15%	5%
Operating expenses increase/ (decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of operating expenses in the year 2017. Expenses will be reduced in the year 2018 because of no expense in the year.	95%	(38%)	15%
Property, plant and equipment addition	Property, plant and equipment will be increased in every year for the purpose of production increase.	113,911,218	109,740,738	68,677,390
Paid up capital increase	Paid up Capital will be increased by Tk. 150,000,000 through IPO in FY 2016-2017	150,000,000	-	-
Long term loan repayment	The current portion long term loan of 2016 will be paid in 2017 and the current portion will be paid in other subsequent years.	6,916,195	6,082,505	5,349,310
Dividend	Dividend is not considered here as the decision is not predetermined	-	-	-

OIMEX ELECTRODE LIMITED
Statement of Financial Position (Projected)

(Figure in BDT)

Particulars	Audited	Projected		
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Assets				
Non-current assets	314,197,783	367,414,250	404,903,604	416,235,771
Property, plant and equipment	264,432,532	343,404,257	404,903,604	416,235,771
Capital work in progress	49,765,251	24,009,993	-	-
Current assets	352,009,280	459,787,897	690,983,870	946,298,871
Inventories	189,340,227	257,201,541	369,166,190	483,572,532
Accounts receivables	131,447,464	171,486,344	279,564,251	397,204,665
Advances, deposits & prepayments	7,107,311	14,410,601	26,684,968	47,953,541
Cash & cash equivalents	24,114,278	16,689,411	15,568,461	17,568,133
Total assets	666,207,063	827,202,147	1,095,887,474	1,362,534,642
Shareholders' equity and liabilities				
Shareholders' equity	459,275,992	681,927,782	931,767,353	1,185,043,301
Share capital	308,920,000	458,920,000	608,920,000	758,920,000
Retained earnings	150,355,992	223,007,782	322,847,353	426,123,301
Non-current liabilities	62,116,865	73,579,510	86,780,842	102,158,342
Long term loan	50,459,772	44,377,267	39,027,957	34,323,462
Deferred tax liability	11,657,093	29,202,244	47,752,885	67,834,880
Current liabilities:	144,814,205	71,694,855	77,339,279	75,332,999
Accounts payable	325,187	596,821	756,812	856,105
Short term bank loan	72,756,696	32,568,165	25,685,147	24,245,440
Current portion of long term loan	6,916,195	6,082,505	5,349,310	4,704,495
Current tax liabilities	56,639,702	24,167,592	35,209,128	35,528,130
Workers profit participation fund payable	4,814,732	5,718,227	7,679,967	7,944,304
Liabilities for expenses	3,361,694	2,561,545	2,658,915	2,054,525
Total shareholders' equity and liabilities:	666,207,063	827,202,147	1,095,887,474	1,362,534,642

OIMEX ELECTRODE LIMITED
Statement of profit or loss & other comprehensive income (Projected)

(Figure in BDT)

Particulars	Audited	Projected		
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Revenue	410,164,512	533,213,866	613,195,945	643,855,743
Less: Cost of goods sold	288,548,149	374,662,723	429,329,141	452,083,310
Gross profit / (loss)	121,616,363	158,551,143	183,866,804	191,772,433
Less: Operating expenses	16,963,452	33,164,987	20,543,136	23,624,607
Administrative expenses	10,003,670	25,509,226	12,504,588	14,380,276
Selling & distribution expenses	6,959,782	7,655,760	8,038,548	9,244,331
Operating profit/(loss)	104,652,911	125,386,156	163,323,668	168,147,826
Less: Financial expenses	10,933,469	10,568,450	8,569,500	7,568,000
	93,719,442	114,817,706	154,754,168	160,579,826
Add: Other-operating income	7,389,927	5,265,052	6,525,140	6,250,550
Net profit before WPPF & tax	101,109,369	120,082,758	161,279,308	166,830,376
Less: Contribution to WPPF	4,814,732	5,718,227	7,679,967	7,944,304
Net profit before tax	96,294,637	114,364,532	153,599,341	158,886,073
Less: Income tax expenses	32,087,868	41,712,743	53,759,769	55,610,125
Current tax	23,722,385	24,167,592	35,209,128	35,528,130
Deferred tax	8,365,484	17,545,151	18,550,642	20,081,995
Net profit for the year	64,206,768	72,651,789	99,839,572	103,275,947
Other comprehensive income	-	-	-	-
Total comprehensive income	64,206,768	72,651,789	99,839,572	103,275,947

Conclusion

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management and economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Oimex Electrode Limited.

Sd/-

Research and Development Concern

43/n, (2nd floor), West Raza Bazar
 Indira Road, Farmgate, Dhaka-1012

(XXII) USE OF PROCEEDS

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

Sources of fund:

Issue size (number of shares to be issued)	Issue Price	Amount in BDT
15,000,000 ordinary shares	10.00 each (at par)	150,000,000.00
Less: IPO expenses		15,000,000.00
Net IPO proceeds		135,000,000.00

Use of net proceeds from the IPO:

Net proceeds from the IPO will be used for procurement of capital machineries & equipments and purchase of raw materials.

Details of the amount to be used for each purpose are as under:

Sl#	Particulars	Amount in BDT
A.	Capital machineries & equipments	85,000,000.00
B.	Raw materials purchase	50,000,000.00
	Total (A+B)	135,000,000.00

A. Break-down of costs of capital machineries & equipment:

Sl#	Description	Price in USD	Amount in BDT
A (1)	Cost of Welding Electrode plant machineries (01 Set)	365,600.00	28,516,800.00
	Add: Installation and other costs		1,683,200.00
	Total cost		30,200,000.00
A (2)	Cost of G. I. plant machineries (02 sets)	364,000.00	28,392,000.00
	Add: Installation and other costs		1,608,000.00
	Total cost		30,000,000.00
A (3)	Cost of Nail plant machineries (02 sets)	302,000.00	23,556,000.00
	Add: Installation and other costs		1,244,000.00
	Total cost		24,800,000.00
Grand total of cost of capital machineries & equipments A(1)+A(2)+A(3)			85,000,000.00

*Considered conversion rate of 1 USD = 78 BDT.

A (1). Detail of Welding Electrode plant machineries (01 set):

Sl#	Particulars	Unit	Cost in USD	Cost in BDT
1	Conveyer unit	01 Nos	365,600.00	28,516,800.00
2	Printing unit	01 Nos		
3	Tipping machine	01 Nos		
4	Brushing machine	01 Nos		
5	Wet mixing machine	01 Nos		
6	Cutting machine	02 Nos		
7	Butt welding machine	01 Nos		
8	Feeder machine	01 Nos		
9	Extrusion machine	01 Nos		
10	Control panel	01 Nos		
11	Oven panel (2 MT capacity)	01 Nos		
Total cost of machineries			365,600.00	28,516,800.00
Add: Installation and other costs				1,683,200.00
Total cost for 01 set Welding Electrode plant machineries				30,200,000.00

A (2). Details of G. I. Wire plant machineries (02 sets):

Sl#	Particulars	Units	Price in USD	Price in BDT
1	16 to 22 SWG Wire drawing machine	18 Nos	364,000.00	28,392,000.00
2	Heavy duty Wire drawing machine	10 Nos		
3	Control panel	05 Nos		
4	Pay off stand	44 Nos		
5	Electrical tube furnace	01 Nos		
6	Steel water tank	03 Nos		
7	F. R. P tank	10 Nos		
8	40 drum take up with motor drive	01 Nos		
9	Rectifier	03 Nos		
10	Guide roller	10 Nos		
11	Aluminum flat	10 Nos		
12	Spare & accessories	As required		
Total cost of machineries			364,000.00	28,392,000.00
Add: Installation and other costs				1,608,000.00
Total cost for 02 sets G. I. Wire plant machineries				30,000,000.00

A (3). Detail of Nail plant machineries (02 sets):

Sl#	Particulars	Units	Price in USD	Price in BDT
1	Wire drawing machine	30 Nos	302,000.00	23,556,000.00
2	Nail machine	08 Nos		
3	Control panel	10 Nos		
4	Mini Nail galvanizing plant	03 Nos		
Total cost of machineries			302,000.00	23,556,000.00
Add: Installation and other costs				1,244,000.00
Total cost for 02 sets Nail plant machineries				24,800,000.00

B. Raw material purchase:

Raw material consists of basic raw materials for the production of Welding Electrode, G. I. Wire and Nail (Parek). These also require some chemicals for Electrode and G. I. Wire, some galvanizing for the production of Nail (Parek). From our past experience, we estimated that it will require 1,680 metric ton (MT) Wire rode in addition to existing requirement for producing at 90% utilization of installed capacity with the newly installed machineries. Out of the total, 820 MT for Welding Electrode, 360 MT for G. I. Wire and 500 MT for Nail (Parek) production will be used.

C. Details of raw material requirement:

Item	Quantity (MT)	Rate per MT	Amount in BDT
Electrode grade wire rode	1,000 MT	Tk. 40,000	40,000,000.00
Chemicals for electrode and G. I. Wire	85 MT	Tk. 110,000	9,350,000.00
Costs of galvanizing for Nail, carriage and others			650,000.00
Total cost of raw materials			50,000,000.00

This initially required short term fund for expanded plant and machineries will be engaged for long term period. This fund will be revolving after the initial cycle of production. This is why the short term fund required for long term horizon will be financed with long term source.

Item wise break-up of last three years raw material requirement and projection for the next two years:**Item-wise raw material required for the last three years:**

Item	30-06-2014	30-06-2015	30-06-2016
Electrode grade Wire rode	48,667,047	182,145,253	185,736,047
Chemicals for electrode and G. I. Wire	11,375,922	44,247,331	45,217,860
Costs of galvanizing for Nail, carriage and others	392,833	10,224,157	12,152,869
Total cost of raw material used for the last three years	60,435,802	236,616,741	243,106,776

Item-wise raw material requirement projection for the next two years:

Item	Year - 1	Year – 2
Electrode grade wire rode	242,556,646	277,947,686
Chemicals for electrode and G. I. wire	52,864,911	60,578,342
Costs of galvanizing for nail, carriage and others	15,548,503	17,817,159
Projected total cost of raw materials	310,970,060	356,343,187

** Assumed that after installation of the proposed machineries the production capacity will be 127% of the existing capacity in the first year and in the second year it will be 123% of the first year of installation at 90% utilization of production capacity.

Implementation schedule:

Particulars	Time schedule for completion of proposed works
Capital machineries & equipments	Within 12 months from receiving the IPO fund
Raw material purchase	Within 06 months of receiving the IPO fund

Terms of contract:

As per Annexure-E (B)(21)(f) of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 there is no contract covering any of the activities of the issuer company for which the proceeds of sale of securities from IPO is to be used.

Sd/-
M A Maleque
Managing Director

Sd/-
Md. Ikramul Islam
Chief Financial Officer

Sd/-
Mrs. Khairun Nesa Lucky
Chairman

(b) Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;

Sponsors' contribution since inception and privately placed funds brought & deployed by the issuer company prior to the public offer and indication of such funds utilization in the cash flow statement is as under:

Accounting year	Fund utilized for	Amount in BDT	Reflected in cashflow
2015-2016	Purchase of raw materials	16,100,000	Payment to suppliers under the head operating activities and in cash and cash equivalent.
2014-2015	Addition to fixed assets, capital work in progress, purchase of raw materials and payment of administrative cost	181,820,000	Acquisition of fixed assets and payment for capital work in progress under the head investing activities; Payment to suppliers and other operating expenses under the head operating activities; Under the head cash and cash equivalent which is subsequently used for purchase of fixed assets, payment for capital work in progress and payment to suppliers.
2013-2014	Purchase of raw materials	600,000	Payment to suppliers under the head operating activities.
2012-2013	Addition to fixed assets, purchase of raw materials and payment of administrative cost	110,000,000	Acquisition of fixed assets under the head investing activities; Payment to suppliers and other operating expenses under the head operating activities.
2005-2006	Certification and others expenses	400,000	
Total		308,920,000	

This is to mention here that, we received share money deposit from the Chairman and Managing Director during the accounting year 2012-2013 before obtaining BSEC's consent for capital raising and we used those funds before consent date. Subsequently, we obtained Commission's consent on March 10, 2015 and June 28, 2016 for capital raising.

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

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

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

IPO proceeds are sufficient to complete the project.

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

Sl No.	Particulars	Progress made so far	Approximate date of Completion	Projected date of full commercial operation
01	Capital machineries & equipments	Acquisition and Installation of Machineries and Equipments will be started after receiving of IPO fund	Within 12 months of receiving the IPO fund	Within 3 month of the completion of the project
02	Raw material for expanded capacity	After receiving of IPO fund	Within 06 months of receiving the IPO fund	-

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Chairman

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

There is no such contract yet to be engaged by the Company.

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

No objects of the issue are utilization of the issue proceeds for working capital.

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

The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

(j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There is no such material transaction with sponsors, directors, key management personnel, associates and group companies in relation to utilization of the issue proceeds.

(k) Summary of the project appraisal/ feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/ feasibility report.

Feasibility Report of Oimex Electrode Limited

Executive Summary

Oimex Electrode Limited (OEL) is manufacturing and marketing of different kind of welding electrodes, G.I Wire and Nail (Parek). OEL was incorporated on September 18, 2005 vide registration number C-59061 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 Limited Company on August 25, 2014. Addresses of registered & corporate head office is 225/1, New Elephant Road (1st Floor), Dhaka, 1205 and the factory is located at Pipulbaria, Daulatpur, Kushtia, Bangladesh. Every organization has some purposes for the expansion program. Some projections regarding profitability and other financial issues are analysed. Oimex has made projections of financial position and statement of profit or loss and other comprehensive income for the upcoming three reporting years. This feasibility report discusses and shows the various aspects of expansion program of Oimex Electrode Limited.

Introduction

Oimex Electrode Limited was incorporated in September 18, 2005 as a private limited company under Registrar of Joint Stock Companies and Firms (RJSC) vide registration number C-59061/(1067)/05 under the companies Act 1994. Subsequently it was converted into a public limited company on August 25, 2014.

Corporate information:

Particulars	Description
Date of incorporation as private limited company	September 18, 2005
Commencement of commercial operation	March 21, 2010
Conversion into public limited company	August 25, 2014
Denomination of face value from Tk. 100.00 to Tk. 10.00	February 02, 2014
Authorized capital	500.00 Million
Issued & paid-up capital	308.92 Million

Vision

To emphasize to be the most preferred name to our stakeholders – customers, employees, suppliers, shareholders and society.

Mission

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

Nature of Business

Oimex Electrode Limited (OEL) is manufacturing and marketing of different kind of welding electrodes, G.I. Wire and Nail (Parek).

Principal Products of the Company

The Company is engaged in manufacturing and marketing of welding electrodes, G. I. Wire and Nail (Parek). The core markets for the product of the Company are engineering workshop, developer companies and other local customers.

Utility Consumption

Power:

The company meets its required power from Rural Electrification Board (REB). The total sanctioned electricity load for OEL is 500 KVA. Beside that the company maintains its own generator with a production capacity of 500 KVA.

Gas: The Company does not require any gas.

Water:

Required water is supplied by its own dupe tube-well. The factory requires around 1,000 litter water per day to continue its operation.

Marketing Aspects

The Company envisages for establish the manufacturing and Marketing of different kind of welding electrodes, W.I. wire and Nail (Parek). In contribution to GDP are the largest manufacturing items for market demand of Bangladesh and is on increasing trend.

The Board of Director of the Company has engaged themselves in the business promoting and marketing of Bangladesh for about a decade. During this long period they have worked with numbers of various buyers, their agents with all over the Bangladesh. So, they are fully capable to run this business with profitability.

OIMEX ELECTRODE LIMITED has been set up by the promoters having strong track record in same industry sector. They are experience and well learner promoters who have wide marketing experience and are well known in the local Community. It can be said that the company will enjoy a competitive marketing advantage.

It is certain that the international and inland market will be maintained the standard and quality of product; sufficient backward linkage industries will not face any difficulty. The inland competitors are Linde Bangladesh, BD welding Limited, Navana Welding Electrode Limited, Jamuna Welding Electrode Limited and etc. and the international competitors are China, Germany . As the labor cost is very low and Bangladesh is growing this industry, it is possible to maintain the minimum cost of production

Distribution of Products

The company distributes its product to its district wise dealers and customer from its factory through its own vehicle.

Methodology

We have considered our historical data of last few years revenue and expenses. We have also talked to the staffs. The interviews provided us with the relevant information concerning all aspects sales and expenses, The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of our ability. Every interview had a different idea that is important to the effects of the implementation of sales growth, and enough background information was included.

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

Assumption Indicator	Assumption's Basis	Assumptions Years		
		30-Jun-17	30-Jun-18	30-Jun-19
Capacity Increase	Capacity will be increased as new machineries will be introduced.	27%	23%	9%
Capacity utilization	Capacity utilization will be almost same.	85-90%	85-90%	85-90%
Sales revenue increase	Sales will be increased for quality products by the increase of sales volume and unit price.	30%	15%	5%
Operating expenses increase/ (decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of operating expenses in the year 2017. Expenses will be reduced in the year 2018 because of no expense in the year.	95%	(38%)	15%
Property, plant and equipment addition	Property, plant and equipment will be increased in every year for the purpose of production increase.	113,911,218	109,740,738	68,677,390
Paid up capital increase	Paid up Capital will be increased by Tk. 150,000,000 through IPO in FY 2016-2017	150,000,000	-	-
Long term loan repayment	The current portion long term loan of 2016 will be paid in 2017 and the current portion will be paid in other subsequent years.	6,916,195	6,082,505	5,349,310
Dividend	Dividend is not considered here as the decision is not predetermined	-	-	-

OIMEX ELECTRODE LIMITED
Statement of Financial Position (Projected)

(Figure in BDT)

Particulars	Audited	Projected		
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Assets				
Non-current assets	314,197,783	367,414,250	404,903,604	416,235,771
Property, plant and equipment	264,432,532	343,404,257	404,903,604	416,235,771
Capital work in progress	49,765,251	24,009,993	-	-
Current assets	352,009,280	459,787,897	690,983,870	946,298,871
Inventories	189,340,227	257,201,541	369,166,190	483,572,532
Accounts receivables	131,447,464	171,486,344	279,564,251	397,204,665
Advances, deposits & prepayments	7,107,311	14,410,601	26,684,968	47,953,541
Cash & cash equivalents	24,114,278	16,689,411	15,568,461	17,568,133
Total assets	666,207,063	827,202,147	1,095,887,474	1,362,534,642
Shareholders' equity and liabilities				
Shareholders' equity	459,275,992	681,927,782	931,767,353	1,185,043,301
Share capital	308,920,000	458,920,000	608,920,000	758,920,000
Retained earnings	150,355,992	223,007,782	322,847,353	426,123,301
Non-current liabilities	62,116,865	73,579,510	86,780,842	102,158,342
Long term loan	50,459,772	44,377,267	39,027,957	34,323,462
Deferred tax liability	11,657,093	29,202,244	47,752,885	67,834,880
Current liabilities:	144,814,205	71,694,855	77,339,279	75,332,999
Accounts payable	325,187	596,821	756,812	856,105
Short term bank loan	72,756,696	32,568,165	25,685,147	24,245,440
Current portion of long term loan	6,916,195	6,082,505	5,349,310	4,704,495
Current tax liabilities	56,639,702	24,167,592	35,209,128	35,528,130
Workers profit participation fund payable	4,814,732	5,718,227	7,679,967	7,944,304
Liabilities for expenses	3,361,694	2,561,545	2,658,915	2,054,525
Total shareholders' equity and liabilities:	666,207,063	827,202,147	1,095,887,474	1,362,534,642

OIMEX ELECTRODE LIMITED

Statement of profit or loss & other comprehensive income (Projected)

(Figure in BDT)

Particulars	Audited	Projected		
	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Revenue	410,164,512	533,213,866	613,195,945	643,855,743
Less: Cost of goods sold	288,548,149	374,662,723	429,329,141	452,083,310
Gross profit / (loss)	121,616,363	158,551,143	183,866,804	191,772,433
Less: Operating expenses	16,963,452	33,164,987	20,543,136	23,624,607
Administrative expenses	10,003,670	25,509,226	12,504,588	14,380,276
Selling & distribution expenses	6,959,782	7,655,760	8,038,548	9,244,331
Operating profit/(loss)	104,652,911	125,386,156	163,323,668	168,147,826
Less: Financial expenses	10,933,469	10,568,450	8,569,500	7,568,000
	93,719,442	114,817,706	154,754,168	160,579,826
Add: Other-operating income	7,389,927	5,265,052	6,525,140	6,250,550
Net profit before WPPF & tax	101,109,369	120,082,758	161,279,308	166,830,376
Less: Contribution to WPPF	4,814,732	5,718,227	7,679,967	7,944,304
Net profit before tax	96,294,637	114,364,532	153,599,341	158,886,073
Less: Income tax expenses	32,087,868	41,712,743	53,759,769	55,610,125
Current tax	23,722,385	24,167,592	35,209,128	35,528,130
Deferred tax	8,365,484	17,545,151	18,550,642	20,081,995
Net profit for the year	64,206,768	72,651,789	99,839,572	103,275,947
Other comprehensive income	-	-	-	-
Total comprehensive income	64,206,768	72,651,789	99,839,572	103,275,947

Conclusion

The feasibility of the project has been conducted and analyzed from the viewpoint of marketing, financial, management and economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Oimex Electrode Limited.

Sd/-

Research and Development Concern

43/n, (2nd floor), West Raza Bazar
Indira Road, Farmgate, Dhaka-1012

(XXIII) LOCK-IN

- (a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:
- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding 5% or more shares, other than alternative investment funds, for 03(three) years;
 - (2) All shares allotted, before 02(two) years of according consent to the public offer, to any person, other than alternative investment funds, for 03(three) years;
 - (3) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting an application for raising of capital or initial public offer (IPO), all shares held by those transferee shareholders, for 03(three) years;
 - (4) 25% of the shares allotted to eligible investors, for 03 (three) months and other 25% of the shares allotted to them, for 06 (six) months;
 - (5) All shares held by alternative investment funds, for 01(one) year; and
 - (6) Shares allotted, within two years of according consent to the public offer, to any person other than the shares mentioned in sub-rules (1), (2), (3), (4), and (5) above, for 01(one) year.

(b) The following table indicates the **lock-in** status of shares of the shareholders of Oimex Electrode Limited:

Sl#	Name of subscriber	Position	BO ID	Pre-IPO		Date of subscription	Lock-in period
				Holding	%		
1.	M A Maleque	Director & MD	1605070058666152	11,954,000	38.70%	18-09-2015 20-07-2014 09-10-2014 24-08-2015	3 years
2.	Mrs. Khairun Nesa Lucky	Chairman	1605070058662379	6,270,000	20.30%	18-09-2015 20-07-2014 09-10-2014 24-08-2015	3 years
3.	Nawshin Tasnim	Director	1605070058588920	918,000	2.97%	24-08-2015 30-06-2016	3 years
4.	Faruk Ahmed	Shareholder	1605070058661871	10,000	0.03%	20-07-2014	3 years
5.	Mrs. Nargis Begum	Shareholder	1203460001863132	20,000	0.06%	20-12-2013	3 years
6.	Abul Khair	Shareholder	1202550015454481	20,000	0.06%	20-12-2013	3 years
7.	Md. Nasir uddin	Shareholder	1605070058653044	10,000	0.03%	20-07-2014	3 years
8.	Mahboob Alam	Shareholder	1605070058666476	30,000	0.10%	20-12-2013 20-07-2014	3 years
9.	Mrs. Nurun Nesa Nagbi	Shareholder	1605070058698244	10,000	0.03%	20-07-2014	3 years
10.	Hossain Ziyaul Haque	Shareholder	1605070058666516	10,000	0.03%	20-07-2014	3 years
11.	Palash Chandra Biswas	Shareholder	1202800053261817	50,000	0.16%	20-07-2014	3 years
12.	Col. Md. Abdul Latif Talukder	Shareholder	1201690039876695	50,000	0.16%	20-07-2014	3 years
13.	Md. Shahidul Islam	Shareholder	1202010041410977	50,000	0.16%	20-07-2014	3 years
14.	S. M. Towhidul Haque	Shareholder	1201830053214956	50,000	0.16%	20-07-2014	3 years
15.	Hasnat Sabrina	Shareholder	1203110026369431	100,000	0.32%	20-07-2014	3 years
16.	Muhammad Shakawat Hosen	Shareholder	1203110026369430	200,000	0.65%	20-07-2014	3 years
17.	Talukder Rizvi Ahmed	Shareholder	1203680013239611	50,000	0.16%	20-07-2014	3 years
18.	Md. Jamal Uddin	Shareholder	1202630028754818	50,000	0.16%	20-07-2014	3 years
19.	Md. Abdur Rahim	Shareholder	1203180018141070	50,000	0.16%	20-07-2014	3 years
20.	Talukder Tanvir Ahmed	Shareholder	1203680013239925	50,000	0.16%	20-07-2014	3 years
21.	Enamul Hoque Talukder	Shareholder	1202150013459207	35,000	0.11%	20-07-2014	3 years
22.	Hemanta Kumar Paul	Shareholder	1201590045129981	25,000	0.08%	20-07-2014	3 years
23.	Krisna Kanta Das	Shareholder	1201770012131021	50,000	0.16%	20-07-2014	3 years
24.	Reliance Brokerage Services Ltd	Shareholder	1203850038318433	850,000	2.75%	24-08-2015	1 year
25.	Uttara Finance &	Shareholder	1203770012801322	1,000,000	3.25%	24-08-2015	1 year

	Investment Ltd						
26.	BMSL Investment Limited	Shareholder	1604940020020801	1,015,000	3.24%	24-08-2015 30-06-2016	1 year
27.	Abaci Investment Limited (MDA)*	Shareholder	1602770045524684	1,910,000	6.18%	24-08-2015 30-06-2016	1 year
28.	MTB Capital discretionary portfolio management account**	Shareholder	1605070043500637	1,829,000	5.92%	24-08-2015 30-06-2016	1 year
29.	S & S Enterprise	Shareholder	1204280045762705	100,000	0.32%	24-08-2015	1 year
30.	Kirti Holdings Limited	Shareholder	1202490058570191	100,000	0.32%	24-08-2015	1 year
31.	Md. Yeasin	Shareholder	1601880002280647	500,000	1.62%	24-08-2015	1 year
32.	Ishtiaq Ahmed	Shareholder	1202490000226422	150,000	0.49%	24-08-2015	1 year
33.	Md. Moniruzzaman	Shareholder	1203730007301413	50,000	0.16%	24-08-2015	1 year
34.	Md. Ruhul Amin	Shareholder	1601880009682718	200,000	0.65%	24-08-2015	1 year
35.	Arif Morshed Azad	Shareholder	1202490057663398	50,000	0.16%	24-08-2015	1 year
36.	Muhammad Mahfuzur Rahman	Shareholder	1203620016770033	50,000	0.16%	24-08-2015	1 year
37.	Md. Iftekharul Islam Bhuiyan	Shareholder	1202490057548408	50,000	0.16%	24-08-2015	1 year
38.	Syed Sakib Naimuddin	Shareholder	1202090043529568	200,000	0.65%	24-08-2015	1 year
39.	Md Akram Hossain	Shareholder	1201590059584346	250,000	0.81%	24-08-2015	1 year
40.	Md. Shah Alam	Shareholder	1203710048529243	100,000	0.32%	24-08-2015	1 year
41.	Fysul Kabir	Shareholder	1203800015274271	50,000	0.16%	24-08-2015	1 year
42.	Mohammed Emran	Shareholder	1203680058437024	100,000	0.32%	24-08-2015	1 year
43.	Md. Mofizur Rahman	Shareholder	1203310004463341	100,000	0.32%	24-08-2015	1 year
44.	Pijush Saha	Shareholder	1203680044960835	50,000	0.16%	24-08-2015	1 year
45.	Md. Mozharul Hoque	Shareholder	1202880035504737	50,000	0.16%	24-08-2015	1 year
46.	Md. Anisul Haque Patwary	Shareholder	1203680048880908	50,000	0.16%	24-08-2015	1 year
47.	Zahed Hossan	Shareholder	1203680057681187	80,000	0.26%	24-08-2015 30-06-2016	1 year
48.	Md. Masudur Rahman	Shareholder	1203680057496005	130,000	0.42%	24-08-2015 30-06-2016	1 year
49.	Md. Aurangeb Shimul	Shareholder	1605070051421565	50,000	0.16%	24-08-2015	1 year
50.	Md. Uzzal Hossain	Shareholder	1201590058141403	40,000	0.13%	24-08-2015	1 year
51.	Romana Rouf Chowdhury	Shareholder	1605070058536191	250,000	0.81%	24-08-2015	1 year
52.	Md. Masum Billah	Shareholder	1605070058536205	100,000	0.32%	24-08-2015	1 year
53.	Sohel Parvez	Shareholder	1201610045039204	150,000	0.49%	24-08-2015	1 year
54.	Md. Nazrul Islam	Shareholder	1201520040543733	100,000	0.32%	24-08-2015	1 year
55.	Baddul Haider Chowdhury	Shareholder	1201520045089417	100,000	0.32%	24-08-2015	1 year
56.	Mohammad Abul Hossain Hasan	Shareholder	1205590052203093	100,000	0.32%	24-08-2015	1 year
57.	Mohammad Faijunnur Chowdhury	Shareholder	1601880000235998	50,000	0.16%	24-08-2015 30-06-2016	1 year
58.	Md. Nuruzzaman	Shareholder	1201940047607937	150,000	0.49%	24-08-2015 30-06-2016	1 year
59.	Maksuda Akter Santona	Shareholder	1605070043500637	50,000	0.16%	24-08-2015	1 year
60.	Md. Abul Bashir Khan	Shareholder	1203570009425322	50,000	0.16%	24-08-2015	1 year
61.	Md. Faruquzzaman Bhuiyan	Shareholder	1605070054802854	91,000	0.29%	24-08-2015 30-06-2016	1 year
62.	Fahima Akter	Shareholder	1605070058683102	115,000	0.37%	24-08-2015	1 year
63.	Md. Ziaul Hossain	Shareholder	1202830018684288	100,000	0.32%	24-08-2015	1 year
64.	Mohammed Masum Iqbal	Shareholder	1204240054102329	20,000	0.06%	24-08-2015	1 year
65.	Shah Mohd. Feruz	Shareholder	1605070058682391	100,000	0.32%	24-08-2015	1 year
66.	Rowfur Rahim	Shareholder	1203960052396516	40,000	0.13%	24-08-2015	1 year
67.	Shoma Rani Mittra	Shareholder	1605070058920652	10,000	0.03%	24-08-2015	1 year
68.	Md. Abdur Rahim	Shareholder	1203680054315541	100,000	0.32%	24-08-2015	1 year
69.	Shahana Sharmin	Shareholder	1202490017019195	50,000	0.16%	24-08-2015	1 year
	Total			30,892,000	100%		

(XXIV) MARKETS FOR THE SECURITIES BEING OFFERED

The issuer shall apply to both the stock exchanges in Bangladesh within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.



Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000

And



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sk. Mojib Road, Agrabad, Chittagong

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

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

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

The issue managers, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges will be applied for trading and settlement of the shares of the company.

The issue shall be placed in “N” category with DSE and CSE.

(XXV) DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights:

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extraordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights:

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy:

i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.

iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.

v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders:

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

(XXVI) FINANCIAL STATEMENTS

Auditors' report to the shareholders of Oimex Electrode Limited

We have audited the accompanying financial statements of **Oimex Electrode Limited** (the company), which comprise the Statement of Financial Position as at 30 June 2016 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period ended and Notes, comprising a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). 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 of the company along with the notes thereon prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BASs) give a true and fair view of the state of the statement of financial position of the company as at 31 December 2015 and of the results of their financial performance and cash flows for the period then ended and comply with the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- (I) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) 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;
- (iii) the company's 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 by the report are in agreement with the books of account and returns; and
- (iv) the expenditure was incurred for the purpose of the company's business.

Dated: August 21, 2016
Place: Dhaka

Sd/-
AHMAD & AKTER
Chartered Accountants

Oimex Electrode Limited
Statement of financial position
As at June 30, 2016

	Notes	30 June 2016 (Taka)	30 June 2015 (Taka)
Assets			
Non-current assets:			
Property, plant and equipment:	4.01	264,432,532	119,519,765
Capital work in progress	4.02	49,765,251	26,389,759
		314,197,783	145,909,524
Current assets:			
Inventories	5.00	189,340,227	114,565,735
Accounts receivables	6.00	131,447,464	103,550,230
Advances, deposits & prepayments	7.00	7,107,311	31,283,733
Cash & cash equivalents	8.00	24,114,278	101,453,790
		352,009,280	350,853,488
Total assets		666,207,063	496,763,012
Shareholders' equity and liabilities:			
Shareholders' equity:			
Share capital	9.00	308,920,000	82,000,000
Retained earnings	10.00	150,355,992	86,149,224
		459,275,992	168,149,224
Non-current liabilities:			
Share money deposit	11.00	-	210,820,000
Long term loan	12.00	50,459,772	7,585,725
Deferred tax liability	13.00	11,657,093	3,291,609
		62,116,865	221,697,334
Current liabilities:			
Accounts payable	14.00	325,187	267,920
Short term bank loan	15.00	72,756,696	60,978,922
Current portion of long term loan	16.00	6,916,195	2,159,775
Current tax liabilities	17.00	56,639,702	37,173,694
Workers profit participation fund payable	18.00	4,814,732	4,615,013
Liabilities for expenses	19.00	3,361,694	1,721,130
		144,814,205	106,916,454
Total shareholders' equity and liabilities:		666,207,063	496,763,012
Net Asset Value (NAV) per share	29.00	14.87	20.51

The annexed notes are integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Date: August 21, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

OIMEX ELECTRODE LIMITED
Statement of profit or loss & other comprehensive income
For the year ended June 30, 2016

Particulars	Notes	30 June 2016 (Taka)	30 June 2015 (Taka)
Revenue	20.00	410,164,512	386,709,515
Less: Cost of goods sold	21.00	288,548,149	271,880,657
Gross profit / (loss)		121,616,363	114,828,858
Less: Operating expenses		16,963,452	11,511,379
Administrative expenses	22.00	10,003,670	8,049,502
Selling & distribution expenses	23.00	6,959,782	3,461,877
Operating profit/(loss)		104,652,911	103,317,479
Less: Financial expenses	24.00	10,933,469	13,236,592
		93,719,442	90,080,887
Add: Other-operating income	25.00	7,389,927	6,834,392
Net profit before charging WPPF & tax		101,109,369	96,915,279
Less: Contribution to WPPF	26.00	4,814,732	4,615,013
Net profit before tax		96,294,637	92,300,266
Less: Income tax expenses	27.00	32,087,868	33,381,470
Current tax	27.01	23,722,385	30,089,861
Deferred tax	27.02	8,365,484	3,291,609
Net profit for the year		64,206,768	58,918,796
Other comprehensive Income		-	-
Total comprehensive Income		64,206,768	58,918,796
Basic earnings per share	28.00	2.44	8.90
Restated earnings per share	28.00	-	2.24

The annexed notes are integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Date: August 21, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

OIMEX ELECTRODE LIMITED
Statement of changes in equity
For the year ended June 30, 2016

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on July 01, 2015	82,000,000	86,149,224	378,969,224
Share allotted	226,920,000	-	16,100,000
Net profit after tax for the year	-	64,206,768	64,206,768
Balance as on June 30, 2016	308,920,000	150,355,992	459,275,992

Statement of changes in equity
For the year ended June 30, 2015

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on July 01, 2014	1,000,000	27,230,428	28,230,428
Share allotted	81,000,000	-	81,000,000
Net profit after tax for the year	-	58,918,796	58,918,796
Balance as on June 30, 2015	82,000,000	86,149,224	168,149,224

The annexed notes are integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Date: August 21, 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

OIMEX ELECTRODE LIMITED
Statement of cash flows
For the year ended June 30, 2016

Particulars	30 June 2016 (Taka)	30 June 2015 (Taka)
A. Cash flows from operating activities		
Cash receipts from customers	389,657,205	333,453,677
Cash paid to suppliers	(347,163,684)	(299,004,245)
Cash paid to employees	(15,314,142)	(8,827,288)
Cash paid to other operating expenses	(2,768,564)	(1,072,839)
Cash generated from operation	24,410,815	24,549,305
Interest paid	(10,933,469)	(13,236,592)
Income tax paid	(5,264,889)	(4,173,264)
Net cash from operating activities	8,212,457	7,139,449
B. Cash flows from investing activities:		
Acquisition of fixed assets	(97,225,031)	(58,972,150)
Payment for capital work in progress	(63,835,179)	(26,389,759)
Net cash flows from investing activities	(161,060,210)	(85,361,909)
C. Cash flows from financing activities:		
Increase in Share capital	226,920,000	81,000,000
Increase/(decrease) in Share money deposits	(210,820,000)	100,820,000
Increase/(decrease) of current portion long term loan	4,756,420	943,775
Increase/(decrease) of short term bank loan	11,777,747	(9,810,797)
Increase/(decrease) of long term loan	42,874,047	(1,445,475)
Net cash flows from financing activities	75,508,241	171,507,503
D. Net cash and cash equivalent (a+b+c)	(77,339,512)	93,285,043
E. Cash & cash equivalent at the beginning of the year	101,453,790	8,168,747
F. Cash & cash equivalent at the end of the year (D+E)	24,114,278	101,453,790
Net Operating Cash flow per share (Note-30.00)	0.27	0.87

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Date: August 21, 2016

Place: Dhaka

OIMEX ELECTRODE LIMITED

Notes, Comprise a Summary of Significant Accounting Policies and Other Explanatory Notes

For the year ended June 30, 2016

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 Limited Company on August 25, 2014.

1.02 Registered office & location 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 operations & its object

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

2.00 THE ACCOUNTING POLICIES ADOPTED BY THE COMPANY ARE AS FOLLOWS

2.01 Measurement bases and going concern

The financial statement 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 statement 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 Bangladesh Financial Reporting Standard (BFRSs) including Bangladesh Accounting Standards (BASs) 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 Financial Statement Comprises

- i. statement of financial position as at June 30, 2016;
- ii. statement of profit or loss & other comprehensive income for the year ended June 30, 2016;
- iii. statement of changes in equity for the year ended June 30, 2016;
- iv. statement of cash flows for the year ended June 30, 2016; and
- v. notes, comprising a summary of significant accounting policies and other explanatory information for the year ended June 30, 2016.

2.04 Compliance with the Requirements of Notification of the Securities and Exchange Commission dated 04.06.2008 under ref. # SEC/CMMRPC/2008-181/53/Adm/03/28

- a) Notes to the financial statements marked from 3.00 to 3.21 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.
- b) The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.21.
- c) The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

Sl. No.	Name of the BAS	BAS's no.	Applicable/Not Applicable
1	Presentation of Financial Statements	1	Applicable
2	Inventories	2	Applicable
3	Cash Flow Statements	7	Applicable
4	Accounting policies, Changes in accounting Estimates & Errors	8	Applicable
5	Events after the Reporting Period	10	Applicable
6	Construction Contracts	11	Applicable
7	Income Taxes	12	Applicable
8	Property, Plant and Equipment	16	Applicable
9	Leases	17	Not Applicable
10	Revenue	18	Applicable
11	Employees Benefits	19	Applicable
12	The Effects of Changes in Foreign Exchange Rates	21	Applicable
13	Borrowing Costs	23	Applicable
14	Related Party Disclosures	24	Applicable
15	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
16	Consolidated and Separate Financial Statements	27	Not Applicable
17	Investment in Associates	28	Not Applicable
18	Interest in Joint Ventures	31	Not Applicable
19	Financial Instruments: Presentation	32	Not Applicable
20	Earning Per Share	33	Applicable
21	Interim Financial Reporting	34	Applicable
22	Impairment of Assets	36	Applicable
23	Provision, Contingent Liabilities and Contingent Assets	37	Applicable
24	Intangible Assets	38	Not Applicable
25	Financial Instruments: Recognition & Measurement	39	Not Applicable
26	Investment Property	40	Not Applicable
27	Agriculture	41	Not Applicable

SL. No.	Name of the BFRS/IFRS	BFRS/ IFRS No	Applicable/Not Applicable
1	First-time Adoption of Bangladesh Financial Reporting Standards	1	Not Applicable
2	Share based payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contracts	4	Not Applicable

5	Non-Current Assets held for sale and discontinued operations	5	Not Applicable
6	Exploration for and evaluation of mineral resources	6	Not Applicable
7	Financial Instruments: Disclosures	7	Applicable
8	Operating Segments	8	Not Applicable
9	Financial Instruments	9	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	Not Applicable

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

2.05 Other Regulatory Compliances

As required Oimex Electrode Limited comply with the following major legal provision in addition to the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations:

- The Income Tax Ordinance 1984
- The Value Added Tax Act 1991
- Bangladesh Labor Act 2006

2.06 Reporting period

The financial statements cover one year from July 01, 2015 to June 30, 2016.

2.07 Authorization for issue

The financial statements have been authorized for issue by the Board of Directors on August 14, 2016.

2.08 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.

2.09 Use of estimates and judgments

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires management to make judgments, estimates and assumption that affect the application of accounting polices and the reported amount of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of the financial statements. Actual results may differ from these 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 BAS 8: Accounting policies, changes in Accounting Estimates and Errors. In particular, significant areas of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.

2.10 Standards, amendments or interpretations which became effective during the year

During the period certain amendments to Standards and new interpretations became effective however they did not have any material effect on the financial statements of the Company.

2.11 New/revised accounting standards, amendments to published accounting standards, and Interpretations that are not yet effective

The following new standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below and have not been early adopted by the company.

- Amendments to IAS 12: income tax, deferred tax on investment property (effective for annual periods beginning on after 01 January 2012). The 2010 amendment provides an exception to the measurement principle in respect of investment property measured using the fair value model in accordance with IAS 40 Investment property. The measurement of deferred tax assets and liabilities, in this limited circumstance, is based on a rebuttable presumption that the carrying amount of the investment property will be recovered entirely through sale. The presumption can be rebutted only if the investment property is depreciable and held within a business model whose objective is to consume substantially all of the asset's economic benefits over the life of the asset. The amendment has no impact on financial statements of the Company.
- IAS 19: (Amendment) regarding defined benefit plans (effective for periods beginning on or after July 1, 2014) amendments that require actuarial gains and losses to be recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which currently is allowed under IAS 19: and that the expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The Company is yet to assess the full impact of the amendment.
- Presentation of items of Other Comprehensive income (Amendments to IAS-1) (effective for annual periods beginning on or after 1 July 2012). The amendments require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other IFRS's continue to apply in this regard. The amendments have no impact on financial statements of the Company.
- Offsetting Financial Assets and Financial Liabilities Amendments to IAS 32: Financial Instruments-Presentation (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.
- Offsetting Financial Assets and Financial Liabilities Amendments to IFRS 7: Financial Instruments-Disclosures (effective for annual periods beginning on or after 1 January 2013). The amendments to IFRS 7 contain new disclosure requirements for financial assets and liabilities that are offset in the statement of financial position or subject to master netting agreement or similar arrangement.
- Annual Improvements 2009-2011 (effective for annual periods beginning on or after 1 January 2013). The new cycle of improvements contains amendments to the following three standards, with consequential amendments to other standards and interpretations.
- IAS 1: Presentation of Financial Statements is amended to clarify that only one comparative period - which is the preceding period - is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS. Furthermore, it clarifies that the 'third statement of financial position', when required, is only required if the effect of restatement is immaterial to statement of financial position.
- IAS 16: Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS 2 Inventories.
- IAS 32: Financial Instruments: Presentation - is amended to clarify that IAS 12- Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

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, 2016 are consistent with those adopted in the financial statements for the year ended June 30, 2015 except for a change in accounting policy.

3.02 Property, Plant & 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 BAS-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 non refundable 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) Pre-operating expenses and borrowing costs

In respect of major project involving construction, related pre-operational expenses from part of the value of assets capitalized. Expenses capitalized also include applicable borrowing cost considering the requirement of BAS 23: Borrowing Costs.

(c) 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 and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

(d) Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

(e) Depreciation

As per BAS 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 and loss unless it is included in the carrying amount of another assets. Depreciation has been calculated using diminishing balance method at the following rates:

Category	Rate
Land and Land Development	0%
Factory 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. Depreciation charged for the month of acquisition on addition of fixed assets. Total depreciation is distributed as under:

Factory overhead	90%
Administrative expenses	5%
Sailing & Distribution expenses	5%

(f) Impairment of assets

The company reviews the recoverable amount of its assets other than inventories at each reporting date. If there exist any indication that the carrying amount of assets exceeds the recoverable amount, the company recognized such impairment loss in accordance BAS-36. No such indication of impairment has been observed till the end of the year.

3.03 Financial liability

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.

3.04 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, dyes & chemicals, 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. Stock in hand at year end date have been physically verified by the management in the presence of the auditors' representatives and duly reconciled.

3.05 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.

3.06 Earnings per share (EPS)

Earnings per share (EPS)

The company calculates Earning Per Share (EPS) in accordance with BAS 33 “Earnings Per Share” which has been shown on the face of statement of profit or loss and other Comprehensive Income and the computation of EPS is stated in Note - 28 of the financial statements.

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per has been calculated by dividing the net profit or loss by the number of ordinary share outstanding during the year.

Diluted Earnings Per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.07 Revenue Recognition

Revenue from net sales of the company represents invoiced value of sale of finish goods (Electric goods) which are recognized after considering the conditions, set in paragraph 14 of BAS 18: “Revenue”. Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Other income:

All other income is recognizing when the Company's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.08 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to BAS 21: "The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange date ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of profit or loss and other Comprehensive Income for the respective period.

3.09 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 & loss and other comprehensive income the requirement of BAS-23.

3.10 Financial assets :

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables.

(a)Accounts Receivables

Accounts receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

(b)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.

–Deposits 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.

(c)Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.11 Taxation

Current Tax

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years. Provision for taxation is calculated on the basis of applicable current tax rate and non-compliance with Finance Act. 2015.

Deferred Tax

The company has decided to adopt policy of recognition of deferred tax in accordance with the Bangladesh Accounting Standard (BAS-12), deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective income tax rate prevailing at the statement of financial position date.

3.12 Provisions

As per “BAS 37: Provisions, Contingent Liabilities and Contingent Assets’ a provision recognized on the date of financial position if, as a result of past even Company has a present obligation that can be estimated reliably, and it is probable the outflow of economic benefits will be required to settle the obligation.

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.13 Segment Reporting

No segmental reporting is applicable for the company as required by “BFRS - 8: Operating Segment” as the company operates in a single industry segment and within as geographical segment.

3.13 Event after Statement of Financial Position Date

In compliance with the requirements of BAS-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.

3.14 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 liability as reported in the financial statement.

3.15 Revaluation of assets

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

3.16 Employee benefits

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

The company's employee benefits include the following:

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.

Worker's profit participation fund (WPPF)

The company makes a regular allocation of 5% on net income before charging such expense to this funds and payment is made to the workers as per provisions of Labour Laws 2006.

3.17 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 accounts. The resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

3.18 Related Party Disclosures

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by BAS 24: Related Party Disclosures has been disclosed in a separate note (note no: 34) to the accounts.

3.19 Statement of cash flows:

The statement of cash flows has been prepared in accordance with the requirements of BAS 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 BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

3.20 Financial Risk Management Policies

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

Interest Rate Risk

The company has no significant risk of fluctuations in interest rates.

Foreign Currency Risk

The company is exposed to foreign currency risk relating to purchases which are denominated in foreign currencies.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity Risk

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

Fair Values

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

	30 June 2016 (Taka)	30 June 2015 (Taka)
4.00 Fixed Assets		
Property, plant and equipment (note-4.01))	264,432,532	119,519,765
Capital work in progress (note-4.02)	49,765,251	26,389,759
	<u>314,197,783</u>	<u>145,909,524</u>
4.01 Property, plant and equipment:		
Opening balance of cost	162,721,850	94,009,700
Add: Addition during the year	163,464,718	68,712,150
	<u>326,186,568</u>	<u>162,721,850</u>
Less: Accumulated depreciation	61,754,036	43,202,085
Written down value as on 30 June 2016	<u>264,432,532</u>	<u>119,519,765</u>
Details shown in Annexure-A.		
4.02 Capital work in progress:		
Capital work in progress	26,389,759	26,389,759
Add: Addition during the year	63,835,179	-
	<u>90,224,938</u>	<u>26,389,759</u>
Less: Transferred to building in Annexure -A	40,459,687	26,389,759
	<u>49,765,251</u>	<u>26,389,759</u>

The factory building cum laboratory of electrode plant is fully constructed and available for use, that's why the cost of factory building cum laboratory of electrode plant (Tk. 40,459,687) are transferred to property, plant and equipment as per BAS-16.

5.00 Inventories: (Quantity wise break-up is shown in Annexure - B)

Raw materials	151,828,741	99,986,775
Work-in-process	15,125,875	5,642,540
Finished goods	22,385,611	8,936,420
	<u>189,340,227</u>	<u>114,565,735</u>

(a) The company has conducted a test (physical verification/stock taking) of above inventories as on 30.06.2016.

(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 BAS-2.

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

Name of client & purpose	Address	June 30, 2016	June 30, 2015
M/S Alam Hardware	Kadamtoli, Chittagong.	3,825,800	4,456,200
M/S Quantum Builders' & Eng. Works.	Porabari, Salna Bazer, Gagipur	3,735,600	4,520,500
M/S Bhawal corporation	Sadar Bazer, Gazipur	4,182,053	2,452,820
Mr. Shujan, Bogra	Raja Bazer, 2 no. Railgate, Bogra.	3,589,900	2,960,000
Mr. Al-Aziz hardware	Fulbaria Busstand, B. Baria	-	2,600,000
Mr., Kawsar, Chudanga	Chuadanga Sadar,	4,348,000	3,360,000
M/S Master Traders	Mailer Rasta, Jatrabari, Dhaka.	4,276,000	1,750,000
M/S Islam Hardware	Stationery Road, Comilla.	5,124,000	2,865,000
M/s Radia Traders	Faridpur Sadar, Faridpur.	4,635,000	3,720,000
M/S Haque Hardware	Chowmohani Chowrasta, Begamgonj.	3,357,000	4,345,000
M/S Bhai Bhai Enterprise	Khalishakundi, Kushtia.	4,574,000	5,385,000
M/S Kader Hardware	Gangni Sadar, Meherpur.	3,854,000	4,240,000
M/S Lubna Tools	Sadesh Bazer, Mymensing	3,532,000	4,360,000
M/S Bul Bul traders	Satra Bazer, Neamatpur,	3,952,347	3,440,000

	Naogoan.		
M/S Rk Machinery	Bandar Bazer, Mahajonpatti, Sylet	4,158,900	4,650,000
M/S Tamim Enterprise	Narail Sadar	4,187,500	4,600,000
M/S Marium Traders	Madrasha More, Natore.	2,925,800	4,495,200
M/S Bismillah Molding	Rabiul Market, Dilalpur, Pabna.	4,125,900	3,928,500
M/S Badua Hardware	Hemayetpur, Saver	1,230,951	1,345,200
M/S Alam Cycle	Ullahpara Bazer, Tangail	3,854,400	3,452,600
M/S Bokkor machinery	Belcuchi, Sirajgonj	4,187,600	2,754,200
M/S Sarker traders	Shirajgonj Road, Shirajgonj.	4,289,400	3,240,000
M/S Gulzar traders	Chakbazer, Chittagong	3,752,900	4,480,000
M/S Shimul enterprise	Madaripur Sadar, Madaripur.	2,854,000	2,240,000
M/S Gawsay Park	Kodomtoli, Chittagong	4,362,500	3,750,400
M/S Bari, Jessore	Jessor Sadar, Jessor.	1,652,100	3,269,820
M/S Wazed	Shinggair, Manikgonj	4,645,300	4,752,620
M/S Manik	Pagla Bazer, Narayangong.	3,287,200	2,241,200
M/S Saifullah	Satkhira Sadar	3,972,400	1,542,500
M/S Masud Rana	Mugrapara, Sonargaon, N.Gong	2,645,600	425,200
M/S Arefin	Elengga, Tangail.	4,195,800	305,100
M/S Faruk Hardware	Kawran Bazer, Dhaka.	3,157,300	298,650
M/S Mollah Hardware & Tools	Paglabazer, Narayangong.	2,861,700	1,324,520
M/S Rang Bitan Hardware	Khulna Saqdar, Khulna	3,459,480	-
Walton Hi-tech Industries Ltd.	Chandra, Kaliakoir, Gazipur	3,988,739	-
M/S M. H. Enterprise	Kushtia sadar, Kushtia	2,113,825	-
M/S Mahi Enterprise	Puthia, Rajshahi	2,552,469	-
Total:		131,447,464	103,550,230

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 a per Schedule-XI, part-I of Companies Act, 1994

Particulars	June 30, 2016	June 30, 2015
Dues within six months	129,590,127	101,624,830
Dues over six months	1,857,337	1,925,400
Total:	131,447,464	103,550,230

Receivable considered Good & secured	131,447,464	103,550,230
Receivable considered Good without security	-	-
Receivable considered doubtful of 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)	2,215,766	1,580,500
Advance income tax (Note - 7.02)	1,861,558	853,046
L/C margin (Note - 7.03)	2,576,890	2,657,767
VAT current a/c	206,097	165,420
Security deposit (Note - 7.04)	47,000	47,000
Advance against office rent	200,000	200,000
Advance against land and land development	-	25,780,000
	7,107,311	31,283,733

- 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	1,658,792	1,240,500
Employee-Head office	556,974	340,000
	2,215,766	1,580,500

7.02 Advance income tax:		
Opening balances	853,046	3,673,264
Add: Tax paid during the year	1,008,512	1,353,046
	1,861,558	5,026,310
Less: Adjusted during the year (Note - 17(1))	-	(4,173,264)
Closing balances	1,861,558	853,046

7.03 L/C margin:		
The amount paid to Al-Arafa Islami Bank and Islami Bank Bangladesh Ltd against import of raw material and machinery.		
Al-Arafah Islami Bank Ltd	-	1,327,000
Islami Bank Bangladesh Ltd	2,576,890	1,330,767
	2,576,890	2,657,767

7.04 Security deposit:		
The breakup of above amount is as follows:		
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)	8,344,913	6,430,241
Cash at bank (Note - 8.02)	15,769,365	95,023,549
Closing balances	24,114,278	101,453,790

8.01 Cash in hand:		
Head office	7,204,519	6,304,821
Factory office	1,140,394	125,420
	8,344,913	6,430,241

8.02 Cash at bank:		
Al-Arafah Islami Bank Ltd a/c no - 4158	71,798	1,780
Pubali Bank Limited a/c no-21374	83,394	1,053,268
Islami Bank Ltd a/c no - 172712	1,473,514	1,004,109
Islami Bank Ltd a/c no - 282107	10,165	134,885
Mutual Trust Bank Ltd a/c no - 0735	14,125,027	92,822,890
Mutual Trust Bank Ltd a/c no - 2811	5,467	6,617
	15,769,365	95,023,549

Cash in hand was physically verified by the management. Bank balances were conconiled & confirmed.

9.00 Share capital:		
This represents the followings:		
Authorized: 50,000,000 ordinary shares of Tk.10.00 each.	500,000,000	500,000,000

Issued, subscribed and paid up capital :

8,200,000 Ordinary shares of Taka @ 10.00 each.

At the time of incorporation (Mamurendum)	400,000	400,000
Share allotted as on 20-12-2013	600,000	600,000
Share allotted as on 20-07-2014	28,000,000	28,000,000
Share allotted as on 09-10-2014	53,000,000	53,000,000
Share allotted as on 24-08-2015	210,820,000	-
Share allotted as on 30-06-2016	16,100,000	-
	308,920,000	82,000,000

The denomination of shares of Oimex Electrode Limited has been changed from Tk.100.00 each to Tk.10.00 each on 02-02-2014.

The shareholdings consist of:

SL. No.	Name of the shareholder	%	No of Share	Amount
1.	Mr. M A Maleque	38.70	11,954,000	119,540,000
2.	Mrs. Khairun Nesa Lucky	20.30	6,270,000	62,700,000
3.	Nawshin Tasnim	2.97	918,000	9,180,000
4.	Mrs. Nargis Begum	0.06	20,000	200,000
5.	Mr. Abul Khair	0.06	20,000	200,000
6.	Mr. Mahbub Alam	0.10	30,000	300,000
7.	Mr. Faruk Ahmed	0.03	10,000	100,000
8.	Mr. Md. Nasir Uddin	0.03	10,000	100,000
9.	Mrs. Nurun Nesa Nagbi	0.03	10,000	100,000
10.	Mr. Hossain Ziyaul Haque	0.03	10,000	100,000
11.	Mr. Palash Chandra Biswas	0.16	50,000	500,000
12.	Col. Md. Abdul Latif Talukder	0.16	50,000	500,000
13.	Mr. Md. Shahidul Islam	0.16	50,000	500,000
14.	Mr. S. M. Towhidul Haque	0.16	50,000	500,000
15.	Mr. Hasnat Sabrina	0.32	100,000	1,000,000
16.	Mr. Muhammad Shakawat Hosen	0.65	200,000	2,000,000
17.	Mr. Talukder Rizvi Ahmed	0.16	50,000	500,000
18.	Mr. Md. Jamal Uddin	0.16	50,000	500,000
19.	Mr. Md. Abdur Rahim	0.16	50,000	500,000
20.	Mr. Talukder Tanvir Ahmed	0.16	50,000	500,000
21.	Mr. Enamul Hoque Talukder	0.11	35,000	350,000
22.	Mr. Hemanta Kumar Paul	0.08	25,000	250,000
23.	Mr. Krisna Kanta Das	0.16	50,000	500,000
24.	Reliance Brokerage Services Ltd	2.75	850,000	8,500,000
25.	MTB Capital Limited	5.92	1,829,000	18,290,000
26.	Uttara Finance & Investment Ltd	3.24	1,000,000	10,000,000
27.	BMSL Investment Limited	3.29	1,015,000	10,150,000
28.	Abaci Investments Limited	6.18	1,910,000	19,100,000
29.	S & S Enterprise	0.32	100,000	1,000,000
30.	Kirti Holdings Limited	0.32	100,000	1,000,000
31.	Md. Yeasin	1.62	500,000	5,000,000
32.	Ishtiaq Ahmed	0.49	150,000	1,500,000
33.	Md. Moniruzzaman	0.16	50,000	500,000
34.	Md. Ruhul Amin	0.65	200,000	2,000,000
35.	Arif Morshed Azad	0.16	50,000	500,000
36.	Muhammad Mahfuzur Rahman	0.16	50,000	500,000
37.	Md. Iftekharul Islam Bhuiyan	0.16	50,000	500,000
38.	Syed Sakib Naimuddin	0.65	200,000	2,000,000
39.	Md Akram Hossain	0.81	250,000	2,500,000
40.	Md. Shah Alam	0.32	100,000	1,000,000
41.	Fysul Kabir	0.16	50,000	500,000
42.	Mohammed Emran	0.32	100,000	1,000,000
43.	Md. Mofizur Rahman	0.32	100,000	1,000,000
44.	Pijush Saha	0.16	50,000	500,000
45.	Md. Mozharul Hoque	0.16	50,000	500,000
46.	Md. Anisul Haque Patwary	0.16	50,000	500,000
47.	Zahed Hossan	0.26	80000	800,000
48.	Md. Masudur Rahman	0.42	130,000	1,300,000
49.	Md. Aurangeb Shimul	0.16	50,000	500,000
50.	Md. Uzzal Hossain	0.13	40,000	400,000
51.	Romana Rouf Chowdhury	0.81	250,000	2,500,000
52.	Md. Masum Billah	0.32	100,000	1,000,000
53.	Sohel Parvez	0.49	150,000	1,500,000
54.	Md. Nazrul Islam	0.32	100,000	1,000,000

55.	Baddul Haider Chowdhury	0.32	100,000	1,000,000
56.	Mohammad Abul Hossain Hasan	0.32	100,000	1,000,000
57.	Mohammad Fajunnur Chowdhury	0.16	50,000	500,000
58.	Md. Nuruzzaman	0.49	150,000	1,500,000
59.	Maksuda Akter Santona	0.16	50,000	500,000
60.	Md. Abul Bashar Khan	0.16	50,000	500,000
61.	Md. Faruquzzaman Bhuiyan	0.29	91,000	910,000
62.	Fahima Akter	0.37	115,000	1,150,000
63.	Md. Ziaul Hossain	0.32	100,000	1,000,000
64.	Mohammed Masum Iqbal	0.06	20,000	200,000
65.	Shah Mohd. Feruz	0.32	100,000	1,000,000
66.	Rowfur Rahim	0.13	40,000	400,000
67.	Shoma Rani Mittra	0.03	10,000	100,000
68.	Md. Abdur Rahim	0.32	100,000	1,000,000
69.	Shahana Sharmin	0.16	50,000	500,000
Total		100	30,892,000	308,920,000

The distribution schedule showing the number of share holders and their share holdings as on 30.06.2016 as follows:

Range of holdings	No. of holders	Total holdings
Less than 500 Share	-	-
500 to 5,000 Shares	-	-
5,001 to 10,000 shares	5	50,000
10,001 to 50,000 shares	30	1,330,000
50,001 to 1,00,000 shares	15	1,471,000
1,00,001 to 5,00,000 shares	11	2,295,000
above 5,00,000 shares	8	25,746,000
Total	69	30,892,000

10.00 Retained earnings:

Opening balance	86,149,224	27,230,428
Add: Net profit/(loss) during the period	64,206,768	58,918,796
	150,355,992	86,149,224

11.00 Share money deposit:

Opening Balance	210,820,000	210,820,000
Add: Addition during the year	-	-
Less: Adjustment/allotment/return	210,820,000	-
	-	210,820,000

The company allotted shares against all share money deposit on 24-08-2015.

12.00 Long term loan:

Standard Chartered Bank	-	1,782,725
HPSM (Mach)	50,459,772	5,803,000
	50,459,772	7,585,725

Above facility has been enjoyed against working capital sanctioned from Islami Bank Bangladesh Ltd., Elephant road branch, Elephant road, Dhaka.

Nature	Hypothecation of machinery
Sanction Limit	69.37 million
Purpose of Loan	Industrial Machinery
Margin	10 % Cash security on landed cost
Rate of Interest	14%
Execution Date	09.12.2015

Mode of Adjustment	5 year on revolving basis.
Security	LC related documents, pledge of imported goods at the effective control of the bank.
Collateral	2180 Sft Residential flat along with undivided and un-demarcated proportion of land measuring 0.3906 katha land at Dis-Dhaka, P.S-Mohammadpur, SRO-Mohammadpur, Mouza-Borabo. 117.75 decimal land with factory shed at kushtia, 12 decimal land at Selimpur, Kushtia. 105.25 decimal land at Angdia, Slimpur, Kushtia. 2180 Sft Residential flat along with undivided and un-demarcated proportion of land measuring 0.3906 katha land and another 2180 Sft Residential flat along with undivided and un-demarcated proportion of land measuring 0.3906 katha land. 2.50 katha land at Pallabi, Mirpur, Dhaka. Personal guarantee of all director.

Loan from Standard Chartered Bank has been repaid as on February 2016.

13.00 Deferred tax:

Opening balances	3,291,609	-
Add: Provision made during the year (Note-27.02)	8,365,484	3,291,609
	11,657,093	3,291,609
Less: Provision realized during the year	-	-
Closing balances	11,657,093	3,291,609

14.00 Accounts payable:

M/S Immo Printing -Packing Expenses	47,590	125,420
M/S J & T Printing - Packing Expenses	65,287	142,500
M/S Fatema traders-Supplier	126,548	-
M/S Haque & sons-Supplier	85,762	-
	325,187	267,920

15.00 Short term loan:

BAI Muazzal	-	4,684,000
MPI loan	72,756,696	4,414,000
Trust receipt	-	15,843,000
Bai Murabaha	-	36,037,922
	72,756,696	60,978,922

Above facility has been enjoyed against working capital sanctioned from Islami Bank Bangladesh Ltd., Elephant road branch, Elephant road, Dhaka.

Nature	Working Capital
Sanction Limit	72.50 million
Purpose of Loan	LC/Bills/Biam
Margin	10 % Cash security on landed cost
Rate of Interest	14%
Execution Date	09.12.2015
Mode of Adjustment	1 year on revolving basis.
Security	LC related documents, pledge of imported goods at the effective control of the bank.
Collateral	2180 sft residential flat along with undivided and un-demarcated proportion of land measuring 0.3906 katha land at Dis-Dhaka, P.S-Mohammadpur, SRO-Mohammadpur, Mouza-Borabo. 117.75 decimal land with factory shed at kushtia, 12 decimal land at Selimpur, Kushtia. 105.25 decimal land at Angdia, selimpur, kushtia. 2180 Sft Residential flat along with undivided and un-demarcated proportion of land measuring 0.3906 katha land and another 2180 Sft Residential flat along with undivided and un-demarcated proportion of land measuring 0.3906 katha land. 2.50 katha land at Pallabi, Mirpur, Dhaka. Personal guarantee of all director.

16.00 Current portion of long term loan:		
HPSM	6,916,195	1,655,000
Standard Chartered Bank	-	504,775
	6,916,195	2,159,775
17.00 Current tax liabilities:		
Opening balances	37,173,694	11,257,097
Add: Provision made during the year	23,722,385	30,089,861
Less: Tax adjusted during the year	4,256,377	4,173,264
	56,639,702	37,173,694
17.01 Tax adjusted during the year:		
Tax paid in cash	4,256,377	500,000
Tax adjusted with advance income tax	-	3,673,264
	4,256,377	4,173,264
18.00 Workers profit participation fund payable:		
Opening balances	4,615,013	550,500
Add: Provision made during the year	4,814,732	4,615,013
	9,429,745	5,165,513
Less: paid during the year	4,615,013	550,500
Closing balances	4,814,732	4,615,013
19.00 Liabilities for expenses:		
Salary & allowance payable	381,516	536,500
Wages & salary payable	1,372,468	894,250
Director remuneration	300,000	-
Office rent payable	70,000	60,000
Factory electricity bill payable	410,901	145,191
Office electricity bill payable	4,485	9,224
Telephone & mobile bill payable	8,925	18,965
VAT payable	613,399	-
Audit fee	200,000	57,000
	3,361,694	1,721,130

VAT payable represents VAT with held from Customers after sales and AIT deducted on Gas bill payable which has been subsequently paid.

20.00 Sales Revenue: (Note-20.01)	410,164,512	386,709,515
	410,164,512	386,709,515
20.01 Sales revenue (Item wise)		

Particulars	Quantity (Kg)	Amount
Welding Electrode	448,419	57,397,622
G.I. Wire	3,535,977	141,439,095
Nail (Parek)	4,594,083	211,327,795
Total	8,578,479	410,164,512

21.00 Cost of sales:		
Raw material consumed (Note - 21.01)	243,106,776	236,616,741
Work-in-process- opening	5,642,540	1,856,420
	248,749,316	238,473,161
Work-in-process-closing (Note - 5.00)	(15,125,875)	(5,642,540)
Material consumed	233,623,441	232,830,621
Add: Factory overhead (Note: 21.02)	68,373,899	45,529,506
Cost of goods manufactured	301,997,340	278,360,127
Finished goods - opening	8,936,420	2,456,950
Cost of goods available for sale	310,933,760	280,817,077
Finished goods - closing (Note - 5.00)	(22,385,611)	(8,936,420)
	288,548,149	271,880,657

21.01 Raw material consumed:

Opening stock	99,986,775	45,638,991
Add: Purchase during the year	294,948,742	290,964,525
Raw material available for consumption	394,935,517	336,603,516
Less: Closing stock (Note - 5.00)	151,828,741	99,986,775
	243,106,776	236,616,741

21.02 Factory overhead:

Wages & salary	29,245,426	26,363,308
Over time	2,125,981	1,154,200
Packaging expenses	2,825,842	474,520
Auxiliary material consumed	2,721,942	2,282,840
C & F charges	2,729,000	473,000
Spare parts	582,061	72,540
Daily labor	4,197,642	856,275
Loading & unloading expenses	1,580,097	525,420
Electricity bill	4,057,023	1,555,764
General repair & maintenance	362,099	35,420
Oil, Mobil and lubricant	1,250,030	525,420
Depreciation (As per annexure-A)	16,696,756	11,210,799
	68,373,899	45,529,506

22.00 Administrative expenses:

Salaries and allowances	1,640,298	1,426,854
Directors remuneration (Note- 22.01)	3,690,000	3,600,000
Travelling and conveyance	294,682	251,240
Environment certificate	145,620	34,500
Stationery and photocopy charges	205,487	192,800
Medical expenses	112,458	93,300
Insurance	588,398	326,408
Foreign tours and travels	373,075	200,300
Fax, telephone and mobile call expenses	302,583	294,900
Internet charges	24,000	28,200
Postage & courier	98,487	95,420
Renewal fees	33,855	135,420
Electricity charges (Head office)	46,866	110,253
Audit fee	200,000	57,000
Office rent	840,000	240,000
Office expenses	65,965	53,420
Fooding	151,284	102,540
Water expenses	53,488	46,825
News paper, books & forms	19,584	18,450
Entertainment	107,963	94,350
Repairs & maintenance	81,980	24,500
Depreciation (As per Annexure-A)	927,597	622,822
	10,003,670	8,049,502

22.01 Directors' remuneration:

Chairman's remuneration	1,200,000	1,200,000
Managing Director's remuneration	2,400,000	24,000,000
Board meeting attendance fees	90,000	-
	3,690,000	3,600,000

23.00 Selling & distribution expenses:

Salary	3,965,754	2,346,134
Conveyance	471,578	256,420
Business promotional expenses	1,594,852	236,500
Depreciation (As per Annexure - A)	927,598	622,823
	6,959,782	3,461,877

24.00 Financial expenses:

Interest on long term loan	7,107,083	5,130,277
Interest on short term loan	3,710,153	8,006,075
Bank charges and others	116,233	100,240
	10,933,469	13,236,592

25.00 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	7,389,927	6,834,392
	7,389,927	6,834,392

Item, quantity and rate:

Mega Ferro 16,335 Kg @ Tk. 34.00	555,390	385,968
Mega Marine 24,916 Kg @ Tk. 38.00	946,808	731,500
Royal Speed 18,743 Kg @ Tk. 42.00	787,208	724,500
Jessore royal 15,920 Kg @ Tk. 32.00	509,446	468,864
Hardmelt 84,604 Kg @ Tk. 80.00	688,320	1,723,200
Perek 47,798 Kg @ Tk. 22.00	1,051,556	360,360
Daya 14,256 Pcs @ Tk. 200.00	2,851,200	2,440,000
	7,389,927	6,834,392

26.00 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	101,109,369	96,915,279
Provision made during the period	4,814,732	4,615,013

27.00 Provision for Income tax:

Current Tax (Note - 27.01)	23,722,385	30,089,861
Deferred tax (Note - 27.02)	8,365,484	3,291,609
	32,087,868	33,381,470

27.01 Current tax:

Net profit before Tax	96,294,637	92,300,266
Add: Accounting depreciation	18,551,951	12,456,444
Add: WPPF during the year	4,814,732	-
	119,661,320	104,756,710
Less: Depreciation as per 3rd schedule of IT ordinance	47,268,065	21,861,041
Less: WPPF paid during this year	4,615,013	-
Taxable income	67,778,242	82,895,669
Income tax on profit for the year @ 35.00%	23,722,385	29,013,484
Add: Adjustment for previous year	-	1,076,377
Total provision for the year	23,722,385	30,089,861

27.02 Deferred tax:

Carrying amount of property, plant & equipment	264,432,532	119,519,765
Less: Tax base property, plant & equipment	226,311,821	110,115,168
Less: WPPF during the year	4,814,732	-
Taxable temporary difference	33,305,979	9,404,597
Applicable tax rate	35%	35%
Provision for deferred tax	11,657,093	3,291,609
Less: Opening balance	3,291,609	-
Deferred tax expense/ (income)	8,365,484	3,291,609

28.00 Earning per share (EPS):

EPS is calculated by dividing the net profit after tax for the year attributable to ordinary shareholders by number of ordinary shares outstanding.

Total comprehensive income for the year	62,509,628	58,918,796
Weighted average number of ordinary shares (Note- 28.01)	26,282,948	6,616,713
Earnings per share (Basic)	2.44	8.90

Restated earning per share

Total comprehensive income for the year	62,509,628	58,918,796
Weighted average number of ordinary shares (Note- 28.01)	26,282,948	26,282,948
	2.44	2.24

28.01 Weighted average number of ordinary shares

Opening balance	8,200,000	100,000
Share allotted as on 20.07.2014 (Weighted 2,800,000 (346/365))	-	2,654,274
Share allotted as on 09.10.2014 (Weighted 5,300,000 (266/365))	-	3,862,466
Share allotted as on 24.08.2015 (Weighted 21,082,000 (313/365))	18,078,537	-
Share allotted as on 30.06.2016 (Weighted 1,610,000 (1/365))	4,411	-
	26,282,948	6,616,713

29.00 Calculation of net asset value (NAV) per share:

Share capital (Note- 09)	308,920,000	82,000,000
Retained earnings (Note-10)	150,355,992	86,149,224
Total Shareholders equity	459,275,992	168,149,224
No. of ordinary shares outstanding	30,892,000	8,200,000
Net asset value (NAV) per share	14.87	20.51

30.00 Net Operating cash flow per share:

Net cash flows from operating activities	8,212,457	7,139,449
No of ordinary shareholders outstanding	30,892,000	8,200,000
Net Operating Cash flow per share(NOCF)	0.27	0.87

31.00 Board of Directors:

The composition of the Board of Directors is as under:

Name	Position
Mrs. Khairun Nesa Lucky	Chairman
Mr. M A Maleque	Managing Director
Ms. Nawshin Tasnim	Director
Mr. Md. Abu Taleb	Independent Director
Prof. Dr. M. Farid Ahmed	Independent Director

Mr. Faruk Ahmed has resigned from the post of director on 15-01-2016.

32.00 Employees position:

Employee Position of Oimex Electrode Limited as per requirement of schedule XI, part II, Para 3 as on June 30, 2016 is as under:

Full time/ Part time	Head office	Factory	Total
Full time employees	14	175	189
Part time employees	0	67	67
Total	14	242	256

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

33.00 Related Party Transaction:

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

Directors' remuneration:

	30 June 2016 (Taka)	30 June 2016 (Taka)
Managing Director's remuneration	2,400,000	2,400,000
Chairman's remuneration	1,200,000	1,200,000
Board Meeting attendance fee	90,000	-
Total	<u>3,690,000</u>	<u>3,600,000</u>

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

Name	Designation	No. of Meeting	Attendance	Fee
M A Maleque	Managing Director	4	4	20,000
Mrs. Khairun Nesa Lucky	Chairman	4	4	20,000
Nawshin Tasnim	Director	4	4	20,000
Faruk Ahmed	Director	4	2	10,000
Md. Abu Taleb	Director	4	2	10,000
Dr. M. Farid Ahmed	Director	4	2	10,000
Total				90,000

Salary and remuneration paid to top five salaried officers:

Name	Designation	Paid as	Total in BDT
			30-June-16
M A Maleque	Managing Director	Remuneration	2,400,000
Mrs. Khairun Nesa Lucky	Chairman	Remuneration	1,200,000
Md. Ikramul Islam	CFO	Salary	160,000
Md. Nasir Uddin	DGM & Company Secretary	Salary	420,000
Kamrul Ahsan	Manager	Salary	420,000

The Chairman of Oimex Electrode Limited is the Chairman of the Finance Committee and looks after the finance and accounts and other related business activities from the beginning of the company's operation. The shareholders in the 9th AGM held on 19-12-2014 have approved her remuneration Tk. 1,00,000/- (Taka one lac only) per month from July 2014 for her services to the company and the company have appointed Md. Ikramul Islam as Chief Financial Officer (CFO) from 01-03-2016.

Details of acquisition of Land are as follows:

Previous Land owner	Purchases Date	Mutation Date	Mouja	Area of land (Decimal)
Mr. M A Maleque	10.05.2007	09.08.2015	Pipulbaria, Silimpur	173.90
Mr. Faruk Ahmed	21.06.2015	28.10.2015	Pachpukuria, Bilsadain	327.00
Total Land Area				500.90

34.00 VAT, income tax, customs duty or other tax liability including contingent liabilities which is yet to be paid with reason for non-payment:**(i) VAT:**

VAT liability payable by the Company as on June 30, 2016 Tk. 613,399 which is subsequently paid.

(ii) TAX:

Assessment position of the company is as under:

Income year	Assessment year	Assessment position
2014-2015	2015-2016	Assessment under process
2013-2014	2014-2015	Assessment of this company has been completed for the assessment year 2014-2015.
2012-2013	2013-2014	Assessment of this company has been completed for the assessment year 2013-2014 under section 82BB and paid in full.
2011-2012	2012-2013	Assessment of this company has been completed for the assessment year 2012-2013 and paid in full.
2010-2011	2011-2012	Assessment of this company has been completed for the assessment year 2011-2012 and paid in full.

(iii) Custom duty or other Tax and contingent liabilities:

There is no custom duty or any other tax & contingent liability by the Company.

35.00 Production capacity utilization:

After some addition of plant and machineries the production capacity of the company increased. The current position of production capacity and current utilization is as under:

Installed yearly production capacity (in Metric Ton)	7,342
Yearly production capacity utilization (in Metric Ton)	6,600
Production capacity utilization (%)	<u>89.89%</u>

36.00 Raw material consumption (As per schedule XI, part-II, para 8):

Particulars	Opening Balance	Total Purchases during the year	Material available (Taka)	Consumption (Taka)
Wire Rod	83,832,371	225,343,836	309,176,207	185,736,047
Silicate	4,536,567	12,194,423	167,306,990	10,051,058
Dry Lubricant	1,130,401	3,038,551	4,168,952	2,504,477
Rutile	7,793,548	20,949,282	28,742,830	17,267,110
Mica	2,298,480	6,178,381	8,476,861	5,092,431
Ilmenite	1,134,129	3,048,572	4,182,701	2,512,736
Iron powder	2,202,318	5,919,894	8,122,212	4,879,378
Feldspar	2,286,783	6,146,939	8,433,722	5,066,516
Cellulose	2,833,390	7,616,234	10,449,624	6,277,559
Calcite	1,678,788	4,512,631	6,191,419	3,719,464
Total	109,726,775	294,948,742	404,675,517	243,106,776

Particulars	Item wise consumption in BDT	% of Consumption
Wire Rod	185,736,047	76.40%
Silicate	10,051,058	4.13%
Dry Lubricant	2,504,477	1.03%
Rutile	17,267,110	7.10%
Mica	5,092,431	2.09%
Ilmenite	2,512,736	1.03%
Iron powder	4,879,378	2.01%
Feldspar	5,066,516	2.08%
Cellulose	6,277,559	2.58%
Calcite	3,719,464	1.53%

37.00 General:

- a) Figure of the current year have been rounded off the nearest Taka.
- b) Previous year's figures have been rearranged 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, 2016.
- e) There was no credit facilities available to the company under any contract nor availed of as on June 30, 2016 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.
- 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 of special services rendered.
- i) There is no bank guarantee issued by the company on behalf of their directors.

Oimex Electrode Limited

Schedule of fixed assets

As at June 30, 2016

Annexure - A

Particulars	Cost			Rate %	Depreciation			Written down value as at 30.06.2016
	As at 01.07.2015	Addition during the Year	Total amount 30.06.2016		As at 01.07.2015	Charged during the year	Total amount 30.06.2016	
Land and land development	9,980,000	25,780,000	35,760,000		-	-	-	35,760,000
Building	25,382,000	40,459,687	65,841,687	10%	2,538,200	4,307,364	6,845,564	58,996,123
Plant & machinery	111,003,500	77,043,148	188,046,648	10%	33,356,459	11,157,935	44,514,394	143,532,254
Office equipment	2,287,650	565,320	2,852,970	15%	1,066,358	267,992	1,334,350	1,518,620
Furniture & fixture	3,101,500	355,423	3,456,923	15%	963,357	354,160	1,317,517	2,139,406
Vehicles	2,857,000	5,681,400	8,538,400	15%	1,850,428	1,003,196	2,853,624	5,684,776
Generator	-	5,440,000	5,440,000	10%	-	307,333	307,333	5,132,667
Electrical transformer	-	4,450,400	4,450,400	10%	-	445,040	445,040	4,005,360
Fire equipment	-	1,123,450	1,123,450	10%	-	112,345	112,345	1,011,105
Electrical equipment	8,110,200	2,565,890	10,676,090	10%	3,427,283	596,586	4,023,869	6,652,221
Balance as on June 30, 2016	162,721,850	163,464,718	326,186,568		43,202,085	18,551,951	61,754,036	264,432,532
Balance as on June 30, 2015	94,009,700	68,712,150	162,721,850		30,745,641	12,456,444	43,202,085	119,519,765

* No depreciation was charged on land and land development.

Allocation of depreciation:

Note: Depreciation charged in the following manner:

Factory overhead 90%	16,696,756
Administrative expenses 5%	927,597
Selling & distribution expenses 5%	927,598
Total :	18,551,951

OIMEX ELECTRODE LIMITED
Quantity-wise break- up of Inventory
As at June 30, 2016

Annexure - B

Raw materials:

Items Name	Opening Balance as on 01.07.2015		Purchased		Consumed/Used		Closing Balance as on 30.06.2016	
	Quantity (KG)	Amount	Quantity(KG)	Amount	Quantity(KG)	Amount	Quantity(KG)	Amount
Wire Rod	1,232,111	76,390,912	3,634,578	225,343,836	2,995,743	185,736,047	1,870,947	115,998,701
Silicate	51,035	4,133,874	150,548	12,194,423	124,087	10,051,058	77,497	6,277,240
Dry Lubricant	5,337	1,030,060	15,744	3,038,551	12,977	2,504,477	8,104	1,564,134
Rutile	29,839	7,101,746	88,022	20,949,282	72,551	17,267,110	45,311	10,783,918
Mica	87,269	2,094,453	257,433	6,178,381	212,185	5,092,431	132,517	3,180,403
Ilmenite	18,131	1,033,457	53,484	3,048,572	44,083	2,512,736	27,531	1,569,292
Iron Powder	7,689	2,006,827	22,682	5,919,894	18,695	4,879,378	11,676	3,047,343
Feldspar	109,673	2,083,795	323,523	6,146,939	266,659	5,066,516	166,538	3,164,218
Cellulose	151,875	2,581,881	448,014	7,616,234	369,268	6,277,559	230,621	3,920,557
Calcite	84,987	1,529,769	250,702	4,512,631	206,637	3,719,464	129,052	2,322,936
Sub Total:	1,777,948	99,986,775	5,244,729	294,948,742	4,322,884	243,106,776	2,699,793	151,828,741

Work in Process:

Items Name	Opening Balance as on 01.07.2015		Closing Balance as on 30.06.2016	
	Quantity(KG)	Amount	Quantity(KG)	Amount
Mega Ferro E-6012	18,373	1,359,602	5,428	401,708
Mega Marine E-6013	14,604	1,241,340	5,676	482,497
Royal Speed E -6012	13,019	1,015,482	5,278	411,711
Jessor Royal E-6012	10,970	789,851	5,290	380,860
Hardmelt 650	3,113	451,381	2,091	303,202
Parek	20,519	677,127	262,938	7,888,144
Black cable	3,991	107,757	194,732	5,257,754
Sub Total:	84,589	5,642,540	481,434	15,125,875

Finished Goods:

Items Name	Opening Balance as on 01.07.2015		Closing Balance as on 30.06.2016	
	Quantity (KG)	Amount	Quantity (KG)	Amount
Mega Ferro E-6012	24,651	2,144,637	6,833	594,509
Mega Marine E-6013	20,061	1,965,978	7,286	714,074
Royal Speed E -6012	17,675	1,608,425	6,696	609,313
Jessor Royal E-6012	14,379	1,250,966	6,479	563,655
Hardmelt 650	4,085	714,870	2,564	448,725
Parek	26,806	1,072,240	353,760	11,674,096
Black Cable	5,784	179,304	251,008	7,781,238
Sub Total	113,441	8,936,420	634,627	22,385,611

Grand Total	189,340,227
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Oimex Electrode Limited
Schedule of accounts receivable
As at June 30, 2016

Sl#	Name of the Customer	30-Jun-16		30-Jun-16	30-Jun-15
		Less than 6 months	Over 6 Months	Total BDT	
1	M/S Alam Hardware	3,825,800	-	3,825,800	4,456,200
2	M/S Quantam Builders' & Engineering Works	3,735,600		3,735,600	4,520,500
3	M/S Bhawal Corporation	4,182,053	-	4,182,053	2,452,820
4	Mr. Shujan, Bogra	3,589,900	-	3,589,900	2,960,000
5	Mr. Al-Aziz Hardware	-	-	-	2,600,000
6	Mr, Kawsar, Chudanga	4,348,000		4,348,000	3,360,000
7	M/S Master Traders	4,276,000	-	4,276,000	1,750,000
8	M/S Islam Hardware	5,124,000	-	5,124,000	2,865,000
9	M/s Radia Traders	4,635,000	-	4,635,000	3,720,000
10	M/S Haque Hardware	3,357,000	-	3,357,000	4,345,000
11	M/S Bhai Bhai Enterprise	3,742,463	831,537	4,574,000	5,385,000
12	M/S Kader Hardware	3,854,000		3,854,000	4,240,000
13	M/S Lubna Tools	3,532,000	-	3,532,000	4,360,000
14	M/S Bul Bul traders	3,952,347	-	3,952,347	3,440,000
15	M/S Rk Machinery	4,158,900	-	4,158,900	4,650,000
16	M/S Tamim Enterprise	4,187,500	-	4,187,500	4,600,000
17	M/S Marium Traders	2,925,800	-	2,925,800	4,495,200
18	M/S Bismillah Molding	4,125,900		4,125,900	3,928,500
19	M/S Badua Hardware	1,230,951	-	1,230,951	1,345,200
20	M/S Alam Cycle	3,854,400	-	3,854,400	3,452,600
21	M/S Bokkor Machinery	4,187,600	-	4,187,600	2,754,200
22	M/S Sarker Traders	4,289,400	-	4,289,400	3,240,000
23	M/S Gulzar Traders	3,752,900		3,752,900	4,480,000
24	M/S Shimul Enterprise	2,854,000	-	2,854,000	2,240,000
25	M/S Gawsay Park	4,362,500	-	4,362,500	3,750,400
26	M/S Bari, Jessore	1,652,100	-	1,652,100	3,269,820
27	M/S Wazed	3,619,500	1,025,800	4,645,300	4,752,620
28	M/S Manik	3,287,200	-	3,287,200	2,241,200
29	M/S Saifullah	3,972,400	-	3,972,400	1,542,500
30	M/S Masud Rana	2,645,600	-	2,645,600	425,200
31	M/S Arefin	4,195,800	-	4,195,800	305,100
32	M/S Faruk Hardware	3,157,300	-	3,157,300	298,650
33	M/S Mollah Hardware & Tools	2,861,700	-	2,861,700	1,324,520
34	M/S Rang Bitan Hardware	3,459,480	-	3,459,480	-
35	Walton Hi-tech Industries LTD.	3,988,739	-	3,988,739	-
36	M/S M.H Enterprise	2,113,825	-	2,113,825	-
37	M/S Mahi Enterprise	2,552,469	-	2,552,469	-
Total		129,590,127	1,857,337	131,447,464	103,550,230

(b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;

Not applicable for Oimex Electrode Limited as it is not a holding Company.

(c) Selected ratios as specified in Annexure-D;

Oimex Electrode Limited
Ratio Analysis
Auditors' certificate regarding calculation of EPS and ratios

The following Ratios have been calculated by the management based on audited financial statements of Oimex Electrode Limited for the year ended 30 June 2011, 2012, 2013, 2014, 2015, 2016. Selected Ratio as specified in rule 8 B (20) I-Annexure B of the Securities and Exchange Commission (Public Issue) Rules, 2015:

Particulars	30-06-16	30-06-15	30-06-14	30-06-13	30-06-12	
	Result	Result	Result	Result	Result	
A. Liquidity ratio:						
1 Current Ratio (Times)	Current Assets/ Current Liability	2.43	3.28	1.99	1.97	0.98
2 Quick Ratio (Times)	(Current Assets - Inventory)/ Current Liability	1.12	2.21	1.40	1.22	0.43
3 Times Interest Earned Ratio (Times)	Operating Profit/ Net Interest Expenses	9.57	7.81	3.04	2.69	1.47
4 Debt to Equity Ratio (Times)	Long Term Debt/ Total Share Holders equity	0.11	0.05	0.32	0.90	5.76
B. Operating ratio:						
1 Accounts Receivable Turnover Ratio	Sales/ Average Receivables	3.49	5.26	3.41	6.40	-
2 Inventory Turnover Ratio (Times)	Cost of Goods Sold/ Average Inventory	1.90	3.31	1.77	1.55	2.55
4 Assets Turnover Ratio (Times)	Sales/ Average Total Assets	0.71	1.06	0.57	0.66	1.58
C. Profitability Ratio						
1 Gross Margin Ratio (%)	Gross Profit/ Sales	29.65	29.69	26.54	26.59	16.54
2 Operating Income Ratio (%)	Operating Profit/ Sales	25.51	26.71	21.97	21.68	12.80
3 Net Income Ratio (%)	Profit after Tax/ Sales	15.65	15.24	9.38	8.23	2.57
4 Return on Assets Ratio (%)	Profit after Tax/ Average Total Assets	11.04	16.17	5.33	5.47	4.06
5 Return on Equity Ratio (%)	Profit after Tax/ Shareholders' Equity	13.98	35.04	42.06	51.44	133.55
6 Basic Earnings Per Share (BEPS)	Profit after Tax/ No. of Shares	2.08	7.19	118.74	202.64	61.05
vii) EBITDA Margin	EBITDA/ Net Sales	0.28	0.27	0.18	0.19	0.05
IV. Coverage Ratios:						
i) Debt to total Assets Ratio	Total Debt/ Total Assets	0.14	0.14	0.35	0.38	0.97
ii) Debt Service Coverage Ratio	Net Operating Profit/ Total Debt Service	9.57	4.39	2.87	2.69	1.47
V. Cash Flow:						
i) Net Operating Cash Flow per Share	Net Operating Cash Flow/ No. of Shares Outstanding	0.27	0.87	(34.94)	(1,195.15)	(358.69)
ii) Net Operating Cash Flow per Share/ EPS	Net Operating Cash Flow per Share/ EPS	0.11	0.12	(0.29)	(5.90)	(5.88)

We have examined the calculation of the above ratios of Oimex Electrode Limited for the year ended 30 June 2012, 2013, 2014, 2015 2016 and no material deviation found in the result.

The details calculation is presented in Annexure-A

Date: 28 August , 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

Oimex Electrode Limited
Calculation of ratio analysis

Particulars	June 30, 2016		June 30, 2015		June 30, 2014		June 30, 2013		June 30, 2012		
	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	
I. Liquidity Ratio:											
i) Current Ratio	Current Assets/	352,009,280	2.43	350,853,488	3.28	168,857,308	1.99	145,112,278	1.97	68,769,736	0.98
	Current Liability	144,814,205		106,916,454		84,859,739		73,547,924		70,532,600	
ii) Quick Ratio	(Current Assets - Inventory)/	162,669,053	1.12	236,287,753	2.21	118,904,947	1.40	89,998,920	1.22	30,393,778	0.43
	Current Liability	144,814,205		106,916,454		84,859,739		73,547,924		70,532,600	
iii) Times Interest Earned Ratio (Times)	Operating Profit/	104,652,911	9.57	103,317,479	7.81	27,798,754	3.04	21,344,571	2.69	12,181,545	1.47
	Net Interest Expenses	10,933,469		13,236,592		9,153,164		7,942,399		8,274,465	
iv) Debt to Equity Ratio	Long Term Debt/	50,459,772	0.11	7,585,725	0.05	9,031,200	0.32	14,112,598	0.90	10,525,493	5.76
	Total Share Holders equity	459,275,992		168,149,224		28,230,428		15,756,327		1,828,506	
II. Operating ratio:											
i) Accounts Receivable Turnover Ratio	Sales/	410,164,512	3.49	386,709,515	5.26	126,540,200	3.41	98,450,400	6.40	95,161,392	-
	Average Receivables	117,498,847		73,505,115		37,123,170		15,393,170		-	
ii) Inventory Turnover Ratio (Times)	Cost of Goods Sold/	288,548,149	1.90	271,880,657	3.31	92,959,946	1.77	72,276,229	1.55	79,421,697	2.55
	Average Inventory	151,952,981		82,259,048		52,532,860		46,744,658		31,173,307	
iii) Assets Turnover Ratio (Times)	Sales/	410,164,512	0.71	386,709,515	1.06	126,540,200	0.57	98,450,400	0.66	95,161,392	1.58
	Average Total Assets	581,485,038		364,442,190		222,769,108		148,151,724		60,216,233	
III. Profitability Ratio:											
i) Gross Margin Ratio (%)	Gross Profit/	121,616,363	29.65	114,828,858	29.69	33,580,254	26.54	26,174,171	26.59	15,739,695	16.54
	Sales	410,164,512		386,709,515		126,540,200		98,450,400		95,161,392	
ii) Operating Income Ratio (%)	Operating Profit/	104,652,911	25.51	103,317,479	26.71	27,798,754	21.97	21,344,571	21.68	12,181,545	12.80
	Sales	410,164,512		386,709,515		126,540,200		98,450,400		95,161,392	
iii) Net Income Ratio (%)	Profit after Tax/	64,206,768	15.65	58,918,796	15.24	11,874,101	9.38	8,105,582	8.23	2,441,925	2.57
	Sales	410,164,512		386,709,515		126,540,200		98,450,400		95,161,392	
iv) Return on Assets Ratio (%)	Profit after Tax/	64,206,768	11.04	58,918,796	16.17	11,874,101	5.33	8,105,582	5.47	2,441,925	4.06
	Average Total Assets	581,485,038		364,442,190		222,769,108		148,151,724		60,216,233	
v) Return on Equity Ratio (%)	Profit after Tax/	64,206,768	13.98	58,918,796	35.04	11,874,101	42.06	8,105,582	51.44	2,441,925	133.55
	Shareholders' Equity	459,275,992		168,149,224		28,230,428		15,756,327		1,828,506	
vi) Basic Earnings Per Share (BEPS)	Profit after Tax/	64,206,768	2.08	58,918,796	7.19	11,874,101	118.74	8,105,582	202.64	2,441,925	61.05
	No.of Shares Outstanding	30,892,000		8,200,000		100,000		40,000		40,000	
vii) EBITDA Margin	EBITDA/	114,846,588	0.28	104,756,710	0.27	23,308,360	0.18	18,597,982	0.19	5,018,541	0.05
	Net Sales	410,164,512		386,709,515		126,540,200		98,450,400		95,161,392	
IV. Coverage Ratios:											
i). Debt to total Assets Ratio	Total Debt/	130,132,663	0.20	70,724,422	0.14	81,036,919	0.35	81,574,242	0.38	80,507,467	0.97
	Total Assets	666,207,063		496,763,012		232,121,367		213,416,849		82,886,599	
ii) Debt Service Coverage Ratio	Net Operating Profit/	104,652,911	9.57	103,317,479	4.39	27,798,754	2.87	21,344,571	2.69	12,181,545	1.47
	Total Debt Service	10,933,469		23,549,089		9,690,487		7,942,399		8,274,465	
V. Cash Flow:											
i). Net Operating Cash Flow per Share	Net Operating Cash Flow/	8,212,457	0.27	7,139,449	0.87	(3,494,431)	(34.94)	(47,805,842)	(1,195)	(14,347,411)	(358.69)
	No.of Shares Outstanding	30,892,000		8,200,000		100,000		40,000		40,000	
ii) Net Operating Cash Flow per Share/ EPS	Net Operating Cash Flow per Share/	0.27	0.11	0.87	0.12	(34.94)	(0.29)	(1,195)	(5.90)	(358.69)	(5.88)
	EPS	2.38		7.19		118.74		202.64		61.05	

(d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Oimex Electrode Ltd.

Auditors' Report under section 135(1) and paragraph 24(1) of Part-II of Third Schedule of the Companies Act 1994

As required under section 135(1), Para 24(1), Part II of the Third Schedule of Companies Act 1994, we appended below the following financial information of Oimex Electrode Ltd. for the year ended 30 June 2016 audited by us, 30 June 2015, June 30, 2014 & June 30, 2013 audited by Mohammad Ata Karim & Co. Chartered Accountants, for the year ended June 30, 2012 audited by Shafiq Mizan Rahman & Augustine, Chartered Accountants.

1. Oimex Electrode Ltd. was incorporated on September 18, 2005.
2. The Operating results of the company over the last 5 years operation is as follows:

A) Statement of financial position:

Assets and properties:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
	Taka	Taka	Taka	Taka	Taka
Non-current assets:	314,197,783	145,909,524	63,264,059	68,304,571	14,116,863
Property, plant and equipment	264,432,532	119,519,765	63,264,059	68,304,571	12,634,309
Capital work in progress	49,765,251	26,389,759	-	-	-
Preliminary Expenses	-	-	-	-	30,000
Un-allocated revenue account	-	-	-	-	1,452,554
Current assets:	352,009,280	350,853,488	168,857,308	145,112,278	68,769,736
Inventories	189,340,227	114,565,735	49,952,361	55,113,358	38,375,958
Accounts receivables	131,447,464	103,550,230	43,460,000	30,786,340	-
Advances, deposits & prepayments	7,107,311	31,283,733	67,276,200	47,612,079	3,272,834
Cash & cash equivalents	24,114,278	101,453,790	8,168,747	11,600,501	27,120,944
Total assets & properties:	666,207,063	496,763,012	232,121,367	213,416,849	82,886,599
Shareholders' equity and liabilities:					
Shareholders' equity:	459,275,992	168,149,224	28,230,428	15,756,327	1,828,506
Share capital	308,920,000	82,000,000	1,000,000	400,000	400,000
Retained earnings	150,355,992	86,149,224	27,230,428	15,356,327	1,428,506

Non-current liabilities:	62,116,865	221,697,334	119,031,200	124,112,598	10,525,493
Share money deposit	-	210,820,000	110,000,000	110,000,000	-
Long term loan	50,459,772	7,585,725	9,031,200	14,112,598	10,525,493
Deferred tax liability	11,657,093	3,291,609	-	-	-
Current liabilities:	144,814,205	106,916,454	84,859,739	73,547,924	70,532,600
Accounts payable	325,187	267,920	241,400	325,400	-
Short term bank loan	72,756,696	60,978,922	70,789,719	67,461,644	69,981,974
Current portion of long term loan	6,916,195	2,159,775	1,216,000	-	-
Current tax liabilities	56,639,702	37,173,694	11,257,097	4,863,350	-
Workers profit participation fund payable	4,814,732	4,615,013	550,500	-	-
Liabilities for expenses	3,361,694	1,721,130	805,023	897,530	550,626
Total shareholders' equity and liabilities:	666,207,063	496,763,012	232,121,367	213,416,849	82,886,599

B) Statements of comprehensive income

Particulars	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
	Taka	Taka	Taka	Taka	Taka
Revenue	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392
Less: Cost of goods sold	288,548,149	271,880,657	92,959,946	72,276,229	79,421,697
Gross profit / (loss)	121,616,363	114,828,858	33,580,254	26,174,171	15,739,695
Less: Operating expenses	16,963,452	11,511,379	5,781,500	4,829,600	3,558,150
Administrative expenses	10,003,670	8,049,502	3,825,300	3,264,200	3,558,150
Selling & distribution expenses	6,959,782	3,461,877	1,956,200	1,565,400	-
Operating profit/loss	104,652,911	103,317,479	27,798,754	21,344,571	12,181,545
Less: Financial expenses	10,933,469	13,236,592	9,153,164	7,942,399	8,274,465
Profit /(loss) for the year	93,719,442	90,080,887	18,645,590	13,402,172	3,907,080
Add: Other-operating income	7,389,927	6,834,392	535,650	215,207	-
Net profit before WPPF and tax	101,109,369	96,915,279	19,181,240	13,617,379	3,907,080
Less: Contribution to WPPF	4,814,732	4,615,013	913,392	648,447	-
Net profit before tax for the year	96,294,637	92,300,266	18,267,848	12,968,932	3,907,080
Less: Income tax expenses	32,087,868	33,381,470	6,393,747	4,863,350	1,465,155
Current tax	23,722,385	30,089,861	6,393,747	4,863,350	-
Deferred tax	8,365,484	3,291,609	-	-	-
Net profit for the year	64,206,768	58,918,796	11,874,101	8,105,582	2,441,925

C) Dividend declared:

Particulars	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
	Taka	Taka	Taka	Taka	Taka
Cash dividend %	-	-	-	-	-
Stock dividend %	-	-	-	-	-

D) Oimex Electrode Limited was incorporated on September 18, 2005 vide registration number C-59061 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 under the Companies Act, 1994 Bangladesh Securities and Exchange Commission (BSEC) has accorded consent for capital raising as on 10-03-2015 and 28-06-2016 vide notification no-BSEC/CI/CPLC-492/2014/170 and BSEC/CI/CPLC-492/2014/369 respectively.

E) The Company has no Subsidiary company.

F) No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

G) Figures related to previous years have been rearranged wherever considered necessary.

Date: 28 August, 2016
Place: Dhaka

Sd/-
AHMAD & AKTAR
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Financial spread sheet analysis for the latest audited financial statements;

Oimex Electrode Ltd
Statement of Financial Position
As at June 30,2016

Particulars	Amount	Percentage on Total Asset	Grand Percentage
ASSETS			
NON-CURRENT ASSETS	314,197,783		47.16%
Property, Plant and Equipment	264,432,532	39.69%	
Land and land development	35,760,000	5.37%	
Building	58,996,123	8.86%	
Plant & machinery	143,532,254	21.54%	
Office equipment	1,518,620	0.23%	
Furniture & fixture	2,139,406	0.32%	
Vehicles	5,684,776	0.85%	
Generator	5,132,667	0.77%	
Electrical transformer	4,005,360	0.60%	
Fire equipment	1,011,105	0.15%	
Electrical equipment	6,652,221	99.85%	
Capital Work in Progress	49,765,251	7.47%	
CURRENT ASSETS	352,009,280		52.84%
Inventories	189,340,227	28.42%	
Raw Materials	151,828,741	22.79%	
Work-In-Progress	15,125,875	2.27%	
Finished Goods	22,385,611	3.36%	
Accounts Receivables	131,447,464	19.73%	
Accounts Receivables	131,447,464	19.73%	
Advances, Deposits and Pre-payments	7,107,311	1.07%	
Advance to Employees	2,215,766	0.33%	
Advance income tax (Note - 7.02)	1,861,558	0.28%	
L/C margin (Note - 7.03)	2,576,890	0.39%	
VAT current a/c	206,097	0.03%	
Security deposit (Note - 7.04)	47,000	0.01%	
Advance against office rent	200,000	0.03%	
Cash and Cash Equivalents	24,114,278	3.62%	
TOTAL ASSETS	666,207,063		100%
SHAREHOLDERS EQUITY & LIABILITIES			
SHAREHOLDERS EQUITY	459,275,992		68.94%
Share Capital	308,920,000	46.37%	
Retained Earnings	150,355,992	22.57%	
NON CURRENT LIABILITY	62,116,865		9.32%
Long term loan	50,459,772	7.57%	
Deferred tax liability	11,657,093	174.98%	
CURRENT LIABILITIES:	144,814,205		21.74%
Accounts payable	325,187	0.05%	
Short term bank loan	72,756,696	10.92%	
Current portion of long term loan	6,916,195	1.04%	
Current tax liabilities	56,639,702	8.50%	
Workers profit participation fund payable	4,814,732	0.72%	
Liabilities for expenses	3,361,694	0.50%	
Salary & allowance payable	381,516	0.06%	
Wages & salary payable	1,372,468	20.60%	
Directors remuneration	300,000	0.05%	
Office rent payable	70,000	0.01%	
Factory electricity bill payable	410,901	0.06%	
Office electricity bill payable	4,485	0.07%	
Telephone & mobile bill payable	8,925	0.00%	
VAT payable	613,399	0.09%	
Audit fee	200,000	3.00%	
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	666,207,063		100%

Oimex Electrode Ltd
Statement of profit or loss & other comprehensive income
For the year ended June 30, 2016

Particulars	Amount	Percentage on Total Turnover	Grand Percentage
TURNOVER	410,164,512		100%
Sales Revenue	410,164,512		
Less: Cost of Goods Sold	288,548,149		70.35%
Rawmaterial consumed	243,106,776	59.27%	
Manufacturing Overhead	68,373,899	16.67%	
	311,480,675		
Add: Opening Work-In-Process	5,642,540		
	317,123,215		
Less: Closing Work-In-Process	15,125,875		
Cost of Production	301,997,340	73.63%	
Add: Opening Stock of Finished Goods	8,936,420		
	310,933,760		
Less: Closing Stock of Finished Goods	22,385,611		
Gross Profit	121,616,363		29.65%
Less: Operating Expenses	16,963,452		4.14%
Administrative & Selling Expenses	16,963,452	4.14%	
Operating Profit	104,652,911		25.51%
Less: Financial Expenses	10,933,469		2.67%
Add: Other Operating Income	7,389,927	1.80%	
Less Contribution to WPPF	4,814,732	1.17%	
Net Profit Before Tax	96,294,637		23.48%
Less: Provision for Tax	32,087,869		7.82%
Current Tax	23,722,385	5.78%	
Deferred Tax	8,365,484	2.04%	
Net Profit after Tax	64,206,768		15.65%

Oimex Electrode Limited
Worksheet
For the year ended December 31, 2016

Particulars	Trial blance		Ajustment		Adjusted Trial Balance		Statement of profit or loss and Other Comprehensive Income		Statement of changes in Equity(Retained Earnings)		Statement of Financial Position	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Property,Plant & Equipment	326,186,568		-		326,186,568	-					326,186,568	
Accumulated Depreciation		43,202,085		18,551,951		61,754,036						61,754,036
Capital Work in Progress	49,765,251		-	-	49,765,251	-					49,765,251	
Inventories	189,340,227		-	-	189,340,227	-					189,340,227	
Accounts receivable	131,447,464		-	-	131,447,464	-					131,447,464	
Advance,deposit & Payment	-		7,107,311	-		7,107,311					7,107,311	
Cash & Cash Equivalent	24,114,278				24,114,278	-					24,114,278	
Share capital		308,920,000		-		308,920,000						308,920,000
Opening Retained earnings		86,149,224				86,149,224				86,149,224		
Long Term Loan		50,459,772				50,459,772						50,459,772
Deferred Tax Liability		11,657,093		-		11,657,093						11,657,093
Accounts Payable		325,187				325,187						325,187
Short term bank Loan		72,756,696				72,756,696						72,756,696
Current Portion of long term loan		6,916,195				6,916,195						6,916,195
Current tax Liabilities		56,639,702		-		56,639,702						56,639,702
Workers Profit Participation fund payable		4,814,732		-		4,814,732						4,814,732
Liabilities for Expenses		-		3,361,694		3,361,694						3,361,694
Sales revenue		410,164,512		-		410,164,512		410,164,512				
Cost of goods Sold (Excluding Depreciation)	272,237,612		2,396,768	2,782,987	271,851,393	-	271,851,393					
Administrative expenses (Excluding Depreciation)	12,435,471		964,926	4,324,324	9,076,073	-	9,076,073					
Selling & distribution expenses (Excluding Depreciation)	6,032,184				6,032,184	-	6,032,184					
Depreciation Expenses	-		18,551,951		18,551,951	-	18,551,951					
Financial expenses	10,933,469				10,933,469	-	10,933,469					
Other Operating Income		7,389,927				7,389,927		7,389,927				
Contribution to WPPF	4,814,732				4,814,732		4,814,732					
Current tax	23,722,385		-		23,722,385	-	23,722,385					
Defferd Tax(Income)/Expenses	8,365,484		-		8,365,484	-	8,365,484					
	1,059,395,125	1,059,395,125	29,020,956	29,020,956	1,081,308,770	1,081,308,770	353,347,671	417,554,439				
Net profit							64,206,768			64,206,768		
							417,554,439	417,554,439				
Closing Retained Earnings									150,355,992			150,355,992
									150,355,992	150,355,992		
											727,961,099	727,961,099

(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

Particulars	Amount in Taka
Net profit after Tax	64,206,768
Total existing number of Share	30,892,000
Weighted average number of Share	26,282,948
Earnings per Share (EPS) considering existing no. of shares	2.07
Earnings per Share (EPS) considering weighted average no. of shares	2.44

(g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

Particulars	Amount in Taka
Net profit before tax	96,294,637
Less: Extra-ordinary income or non-recurring income	-
	96,294,637
Less: Current tax	23,722,385
Less: Deferred tax	8,365,484
Net profit after tax except other income	64,206,768
Total Number of ordinary shares	30,892,000
Earnings per Share (EPS)	2.07

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;

This information is not applicable for us.

(i) Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

Particulars	Amount in Taka
Share Capital	308,920,000
Retained Earnings	150,355,992
Total Shareholders' Equity	459,275,992
Total Number of ordinary shares	30,892,000
Net Assets Value (NAV) at BDT 10.00 per share	14.87

(j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.

This information is not applicable for us.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

(i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

Certificate on long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued of 'Oimex Electrode Limited' period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD /2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that based on the books of accounts, record and others related documents; there was long term loan and short term loan of the company period from 01 July, 2011 to 30 June, 2016. Details of long term borrowing and short term borrowings of Oimex Electrode Limited are as follows:

For the year ended June 30, 2016

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June 2016 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Al-Arafah Islami Bank Ltd.	Lender	Long Term	-	16%	6,477,000	No outstanding balance of interest for the period
Islami Bank Bangladesh Ltd. HPSM	Lender	Long Term	57,375,967	14%	189,534	
Standard Chartered Bank	Lender	Long Term	-	19.5%	630,083	
Sub Total			57,375,967		7,296,617	
Islami Bank Bangladesh Ltd.	Lender	Short Term	72,756,696	14%	3,520,619	
Sub Total			72,756,696		3,520,619	
Grand Total			130,132,663		10,817,236	

For the Year ended June30, 2015

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June 2015 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Al-Arafah Islami Bank Ltd.	Lender	Long Term	7,458,000	18%	3,560,000	No outstanding balance of interest for the period
Standard Chartered Bank	Lender	Long Term	2,287,500	19.5%	1,570,277	
Sub Total			9,745,500		5,130,277	
Islami Bank Bangladesh Ltd.	Lender	Short Term	36,037,922	13.80%	5,994,075	
Al-Arafah Islami Bank Ltd.	Lender	Short Term	24,941,000	18%	20,12,000	
Sub Total			60,978,922		8,006,075	
Grand Total			70,724,422		113,136,352	

For the Year ended June 30, 2014

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June 2014 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Al-Arafah Islami Bank Ltd.	Lender	Long Term	7,420,000	18%	672,000	No outstanding balance of interest for the period
Standard Chartered Bank	Lender	Long Term	2,827,200	19.5%	2,443,680	
Sub Total			10,247,200		3,115,680	
Islami Bank Bangladesh Ltd.	Lender	Short Term	27,480,719	15.50%	426,000	
Al-Arafah Islami Bank Ltd.	Lender	Short Term	43,309,000	18%	5,611,484	
Sub Total			70,789,719		6,037,484	
Grand Total			81,036,919		9,153,164	

For the Year ended June 30, 2013

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June 2013 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Al-Arafah Islami Bank Ltd.	Lender	Long Term	8,060,232	18%	686,886	No outstanding balance of interest for the period
Standard Chartered Bank	Lender	Long Term	6,052,366	19.5%	978,626	
Sub Total			14,112,598		1,665,512	
Islami Bank Bangladesh Ltd.	Lender	Short Term	15,913,589	16%	388,737	
Al-Arafah Islami Bank Ltd.	Lender	Short Term	51,548,055	18%	5,888,150	
Sub Total			67461644		6,276,887	
Grand Total			81,574,242		7,942,399	

For the Year ended June 30, 2012

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 30 June 2012 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Al-Arafah Islami Bank Ltd.	Lender	Long Term	8,779,493	13%	954,000	No outstanding balance of interest for the period
Standard Chartered Bank	Lender	Long Term	3,883,500	19.5%	408,130	
Sub Total			12,662,993		1,362,130	
Islami Bank Bangladesh Ltd.	Lender	Short Term	29,190,745	16%	5,149,335	
Al-Arafah Islami Bank Ltd.	Lender	Short Term	38,653,729	13%	1,763,000	
Sub Total			67,844,474		6,912,335	
Grand Total			80,507,467		8,274,465	

The above information is certified on the basis of books of accounts, records and supporting bank statements for the period from 01 July 2011 to 30 June 2016. It's noted that there was no borrowing from related party or connected person during the period.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

Certificate on Statement of Principal Terms of Secured Loans and Assets on which charge have been Created Against Those Loans of 'Oimex Electrode Limited' period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD /2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that the Principal Terms of Secured Loans as per Agreement and Assets on which charge have been Created Against Those Loans **Oimex Electrode Limited**. For the last five years were as follows:

Long term Loan:

Particulars	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Names of lenders	Islami Bank Bangladesh Ltd. (HPSM)	Al-Arafah Islami Bank Ltd. (HPSM)	Al-Arafah Islami Bank Ltd. (HPSM)	Al-Arafah Islami Bank Ltd. (HPSM)	Al-Arafah Islami Bank Ltd. (HPSM)
Purpose	Project	Project	Project	Project	Project
Collateral Asset	234.90 Decimal, & 3.6718 Katha	234.90 Decimal	134.75 Decimal	134.75 Decimal	129.75 Decimal
Sanctioned Amount	69.37 Million	75.57 Lac	81.52 Lac	81.52 Lac	89.47 Lac
Rate of Interest	14%	16%	18%	18%	18%
Primary/Collateral/Other Security	Land along with factory buildings.	Land along with factory buildings.	Land along with factory buildings.	Land along with factory buildings.	Land along with factory buildings.
Re-payment schedule	5 Years	6.6 Years	6.6 Years	6.6 Years	6.6 Years
Status (Outstanding balance Tk.)	57,375,967	7,458,000	7,420,000	8,060,232	8,779,493

Particulars	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Names of lenders	Standard Chartered Bank Ltd.	Standard Chartered Bank Ltd.	Standard Chartered Bank Ltd.	Standard Chartered Bank Ltd.	Standard Chartered Bank Ltd.
Purpose	Project	Project	Project	Project	Project
Sanctioned Amount	69 Lac	69 Lac	69 Lac	69 Lac	69 Lac
Rate of Interest	19.5	19.5	19.5	19.5	19.5
Re-payment schedule	3 Years	3 Years	3 Years	3 Years	3 Years
Status (Outstanding balance Tk.)	Nil	2,287,500	2,827,200	6,052,366	3,883,500

Short term Loan:

Particulars	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Names of lenders	Al-Arafah Islami Bank Ltd.	Al-Arafah Islami Bank Ltd.	Al-Arafah Islami Bank Ltd.	Al-Arafah Islami Bank Ltd.	Al-Arafah Islami Bank Ltd.
Purpose	Working Capital	Working Capital	Working Capital	Working Capital	Working Capital
Collateral Asset	234.75 Decimal	234.75 Decimal	134.75 Decimal	134.75 Decimal	129.75 Decimal
Sanctioned Amount	421.66 Lac	421.66 Lac	390 Lac	390 Lac	390 Lac
Rate of Interest	16%	16%	18%	18%	18%
Primary/Collateral/Other Security	Land along with factory buildings.	Land along with factory buildings.	Land along with factory buildings.	Land along with factory buildings.	Land along with factory buildings.
Re-payment schedule	1 Year	1 Year	1 Year	1 Year	1 Year
Status (Outstanding balance Tk.)	Nil	24,941,000	43,309,000	51,548,055	38,653,729

Particulars	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Names of lenders	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.	Islami Bank Bangladesh Ltd.
Purpose	Working Capital	Working Capital	Working Capital	Working Capital	Working Capital
Collateral Asset	223 Decimal, & 3.6718 Katha	2.50 Katha & 4360 sft flat	129.75 Decimal & 10500 sft flat	12 Decimal & 2180 sft flat	12 Decimal & 2180 sft flat
Sanctioned Amount	72.50 million	70 million	75 million	40.15 million	40.15 million
Rate of Interest	14%	13.80%	15.50%	16%	16%
Primary/Collateral/Other Security	Stock of Raw Materials & LC related documents	Stock of Raw Materials & LC related documents	Stock of Raw Materials & LC related documents	Stock of Raw Materials & LC related documents	Stock of Raw Materials & LC related documents
Re-payment schedule	1 Year	1 Year	1 Year	1 Year	1 Year
Status (Outstanding balance Tk.)	72,756,696	36,037,922	27,480,719	15,913,589	29,190,745

The above information is certified on the basis of books of accounts, records and supporting bank statements and documents for the period from 01 July 2011 to 30 June 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(iii) Statement of unsecured loans with terms & conditions;

Certificate on unsecured loans with terms & conditions of 'Oimex Electrode Limited' period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD /2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that based on the books of record and related document; there was no unsecured loan of Oimex Electrode Limited for the period from 01 July 2011 to 30 June, 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Certificate on inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc. of 'Oimex Electrode Limited' period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that the statement of inventories showing amount of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc of Oimex Electrode Limited for the last five years were as follows:

Items	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Raw Materials	151,828,741	99,986,775	45,638,991	46,902,318	19,769,622
Packing Material	-	-	-	-	-
Work-In-Process	15,125,875	5,642,540	1,856,420	5,245,200	12,553,364
Finished Goods	22,385,611	8,936,420	2,456,950	2,965,840	6,052,972
Consumable Items	-	-	-	-	-
Store & Spares parts	-	-	-	-	-
Inventory of Trading Goods	-	-	-	-	-
Total	189,340,227	114,565,735	49,952,361	55,113,358	38,375,958

The above balance is certified on the basis of books of accounts, records are other supporting documents for the period from 01 July 2011 to 30 June 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

Certificate on trade receivables showing receivable from related party and connected persons of “Oimex Electrode Limited” period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/182/Admin/65, Dated 28 December, 2015.

This is to certify that the statement of accounts receivables showing receivables from related party and connected persons of **Oimex Electrode Limited** for the last five years were as follows:

Name of client	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
M/S Alam Hardware	3,825,800	4,456,200	5,680,500	2,695,820	-
M/S New al Madina heard wear	-	-	8,936,500	6,425,800	-
Mr. Habibur Rahman	-	-	1,525,400	1,925,840	-
M/S Quantum builders' & engineering works-	3,735,600	4,520,500	6,826,400	3,695,800	-
M/S Hatim industries ltd	-	-	2,520,402	1,596,280	-
M/S Bhawal corporation	4,182,053	2,452,820	7,638,200	2,596,375	-
M/S Madina traders	-	-	2,789,648	3,965,200	-
M/S Haji Monem and sons	-	-	7,542,950	7,885,225	-
Mr. Shujan, Bogra	3,589,900	2,960,000	-	-	-
Mr. Al-Aziz hardware	-	2,600,000	-	-	-
Mr., Kawsar, Chudanga	4,348,000	3,360,000	-	-	-
M/S Master Traders	4,276,000	1,750,000	-	-	-
M/S Islam Hardware	5,124,000	2,865,000	-	-	-
M/s Radia Traders	4,635,000	3,720,000	-	-	-
M/S Haque Hardware	3,357,000	4,345,000	-	-	-
M/S Bhai Bhai Enterprise	4,574,000	5,385,000	-	-	-
M/S Kader Hardware	3,854,000	4,240,000	-	-	-
M/S Lubna Tools	3,532,000	4,360,000	-	-	-
M/S Bul Bul traders	3,952,347	3,440,000	-	-	-
M/S Rk Machinery	4,158,900	4,650,000	-	-	-
M/S Tamim Enterprise	4,187,500	4,600,000	-	-	-
M/S Marium Traders	2,925,800	4,495,200	-	-	-
M/S Bismillah Molding	4,125,900	3,928,500	-	-	-
M/S Badua Hardware	1,230,951	1,345,200	-	-	-
M/S Alam Cycle	3,854,400	3,452,600	-	-	-
M/S Bokkor machinery	4,187,600	2,754,200	-	-	-
M/S Sarker traders	4,289,400	3,240,000	-	-	-
M/S Gulzar traders	3,752,900	4,480,000	-	-	-
M/S Shimul enterprise	2,854,000	2,240,000	-	-	-
M/S Gawsay Park	4,362,500	3,750,400	-	-	-
M/S Bari, Jessore	1,652,100	3,269,820	-	-	-
M/S Wazed	4,645,300	4,752,620	-	-	-
M/S Manik	3,287,200	2,241,200	-	-	-
M/S Saifullah	3,972,400	1,542,500	-	-	-
M/S Masud Rana	2,645,600	425,200	-	-	-
M/S Arefin	4,195,800	305,100	-	-	-
M/S Faruk Hardware	3,157,300	298,650	-	-	-
M/S Mollah Hardware & Tools	2,861,700	1,324,520	-	-	-
M/S Rang Bitan Hardware	3,459,480	-	-	-	-
Walton Hi-tech Industries Ltd.	3,988,739	-	-	-	-
M/S M.H. Enterprise	2,113,825	-	-	-	-
M/S Mahi Enterprise	2,552,469	-	-	-	-
Total:	131,447,464	103,550,230	43,460,000	30,786,340	-

The above information certifies on the basis of books of accounts, record and other related document. We also certify that no amount receivable from related party and connected person.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(vi) Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;

Certificate on any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/ 2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that according to books of accounts, records and other supporting documents of Oimex Electrode Limited (issuer) no loan given by the issues including loans to related party and connected person during the period from 01 July 2011 to 30 June, 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(vii) Statement of other income showing interest income, dividend income, discount received, other non operating income;

Certificate on other income showing interest income, dividend income, discount received and other non operating income of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that Oimex Electrode Limited (issuer) was no interest income, dividend income and discount received except non-operating income for the period from 01 July 2011 to 30 June 2016. Details are given below:

Particulars	Amount in BDT				
	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
Wastage goods and other products	7,389,927	6,834,392	535,650	215,207	Nil
Total	7,389,927	6,834,392	535,650	215,207	Nil

The above balance is certified on the basis of books of account records are other supporting documents during the period from 01 July 2011 to 30 June 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Certificate on turnover showing separately in cash and through banking channel of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that the turnover showing separately in cash and through banking channel of Oimex Electrode Limited. Details of turnover last five years showing separately in cash and through banking channel are given below:

Particulars	Amount in BDT				
	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
In Cash	31,626,832	25,563,980	8,857,814	7,876,032	7,137,104
Through Banking Channel	378,537,680	361,145,535	117,682,386	90,574,368	88,024,288
Total	410,164,512	386,709,515	126,540,200	98,450,400	95,161,392

The above balance is certified on the basis of books of accounts, records and other supporting documents during the period from 01 July 2011 to 30 June 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(ix) Statement of related party transaction;

Certificate on related party transaction of 'Oimex Electrode Limited' period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/ 2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that the status of related party Transactions as Directors remuneration of Oimex Electrode Limited for the last five years were as follows:

A: Director Remuneration

Name	Amount in (BDT)					
	Position	Year Ended, June 30, 2016	Year Ended, June 30, 2015	Year Ended, June 30, 2014	Year Ended, June 30, 2013	Year Ended, June 30, 2012
Mrs. Khairun Nesa Lucky	Chairman	1,200,000	1,200,000	-	-	-
Mr. M A Maleque	Managing Director	2,400,000	2,400,000	-	-	-
Ms. Nawshin Tasnim	Director	0	-	-	-	-
Board meeting attendance fees		90,000	-	-	-	-
Total		3,690,000	3,600,000	-	-	-

B: Other Transactions

Name	Amount in (BDT)					
	Name of the Transaction	Period Ended, Dec 31, 2015	Year Ended, June 30, 2015	Year Ended, June 30, 2014	Year Ended, June 30, 2013	Year Ended, June 30, 2012
Mr. Faruk Ahmed	Land	-	1,000,000	-	-	-
Total		-	1,000,000	-	-	-

The above balance is certified on the basis of books of accounts, records are other supporting documents for the period from 01 July 2011 to 30 June 2016.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Certificate on Reconciliation of business income shown in tax return with net income shown in audited financial statements of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/ 182/Admin/65, Dated on 28 December 2015.

This is to certify that the income of Oimex Electrode Limited as per Audited financial statements and Income shown in Tax Return are similar during last five years ended on and as such there was no matters of reconciliation.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(xi) Confirmation that all receipts and payments of the issuer above Tk. 5,00,000/- (five lac) were made through banking channel;

Certificate on Confirmation that all receipts and payments of the issuer above were made through banking channel of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/182/ Admin/65, Dated on 28 December 2015.

We have conducted such test of accounting transactions of Oimex Electrode Limited as were considered necessary and do hereby confirm that the company made all receipts and payments except petty cash over Tk.500,000 (five lac) from 01 July 2011 to 30 June 2016 through banking channel so far as it appeared from our test of those accounting transactions.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certificate on Confirmation that Bank Statements of the issuer are in conformity with its books of accounts of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC/CMRRCD/2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that the books of accounts of Oimex Electrode Limited from 01 July 2011 to 30 June 2016 are in conformity with bank statements.

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(xiii) Statement of payment status of TAX, VAT and other taxes/duties;

Certificate on Statement of payment status of TAX, VAT and other taxes/duties of ‘Oimex Electrode Limited’ period from 01 July 2011 to 30 June, 2016 as per Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 Notification No. BSEC /CMRRCD/2003-109/182/Admin/65, Dated on 28 December 2015.

This is to certify that based on the books of record and related document of Oimex Electrode Limited payment status of income tax and other taxes/duties are as follows:

Particulars	Payment Status				
	30-June-16	30-June-15	30-June-14	30-June-13	30-June-12
TAX	5,265,288	4,173,264	2,838,098	835,166	1,465,155
VAT	7,982,540	703,000	650,500	485,400	9,024,830
Other Taxes/Duties	Nil	Nil	Nil	Nil	Nil

Dated: 28 August 2016
Place: Dhaka

Sd/-
AHMAD & AKHTAR
Chartered Accountants

(XXVII) PUBLIC ISSUE APPLICATION PROCEDURE: AS DESCRIBED IN THE CONSENT LETTER

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.

2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:

a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.

b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/ Merchant Banker shall:

a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;

b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank **within the first banking hour of next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";

c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.

4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.

7. **On the next working day**, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/ Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.

8. The application/ buy instructions shall be preserved by the Stockbroker/ Merchant Bankers **up to 6 months** from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.

10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.

11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.

12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.

13. The Issuer and issue managers shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.

14. **Within 02 (two) working days** of conducting lottery, the Issuer shall:

a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.

b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.

c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.

d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:

a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow account opened for subscription purpose and unblock the amount of unsuccessful applicants;

b. send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants;

c. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;

d. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.

16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to: a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants; b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.

17. **On the same day** the Stockbrokers/Merchant Bankers shall:

a. send the drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange concerned and return the drafts submitted by unsuccessful NRB and Foreign applicants;

b. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions to the respective Stock Exchange separately along with a list of the applicants.

18. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.

19. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.

20. **On the same day**, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.

21. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency within **7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

22. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.

23. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.

24. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.

25. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.

26. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

27. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.

28. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:	
Client Code	:	
BO ID No.	:	
Category of applicant	:	
Name of the Company	:	
Number of Shares	:	
Total amount in Tk.	:	
Amount in word	:	

Applicants

Authorized Officer