

**Independent Auditor's Report**  
**and**  
**Financial Statements**  
**of**  
**ION EXCHANGE ENVIRONMENT MANAGEMENT**  
**(BD) LTD.**  
**As at 31 March 2024**  
**and**  
**for the year ended 31 March 2024**



**AHMED MASHUQUE & CO., *Chartered Accountants***

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**Independent Auditors' Report  
to the shareholders of  
Ion Exchange Environment Management (BD) Ltd.**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Ion Exchange Environment Management (BD) Ltd., which comprise the Statements of financial position as at 31 March 2024 and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulation.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities to the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



# AHMED MASHUQUE & CO.

Chartered Accountants

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 15 May 2024  
Dhaka.

Ahmed Mashuque & Co.  
Chartered Accountants  
FRC Enlistment # CAF-001-115

*Md. Mosarraf Hossain*

Md. Mosarraf Hossain ACA  
Partner  
Enrolment Number-1961  
DVC: 2405151961AS620445

**Ion Exchange Environment Management (BD) Ltd.**  
**Statement of financial position**  
**As at 31 March 2024**

	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>31 March 2024</u>	<u>31 March 2023</u>
<b>Assets</b>			
<b>Non-current assets</b>		<b>1,700,284</b>	<b>1,924,603</b>
Property, plant and equipment	5.00	1,700,284	1,924,603
<b>Current assets</b>		<b>121,134,293</b>	<b>106,163,298</b>
Inventories		29,885,605	25,424,786
Accounts receivable		72,019,054	66,352,821
Advances, deposits and prepayments	6.00	9,604,418	9,283,870
Advance income tax	7.00	6,466,641	4,262,613
Cash and cash equivalents	8.00	3,158,575	839,207
<b>Total assets</b>		<b>122,834,576</b>	<b>108,087,900</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>		<b>50,242,095</b>	<b>43,499,653</b>
Share capital	9.00	5,586,200	5,586,200
Retained earnings		44,655,895	37,913,453
<b>Current liabilities</b>		<b>72,592,482</b>	<b>64,588,248</b>
Accounts payable		18,301,505	13,073,231
Bank overdraft	10.00	15,985,709	13,089,016
Advance from customers		23,824,225	25,860,784
Payable for expenses and other	11.00	8,013,874	8,302,604
Provision for income tax		6,467,169	4,262,613
<b>Total shareholders' equity and liabilities</b>		<b>122,834,576</b>	<b>108,087,900</b>

  
Director

*These financial statements should be read in conjunction with the annexed notes.*

  
Director

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

Dated: 15 May 2024  
Dhaka.

Ahmed Mashuque & Co.  
Chartered Accountants  
FRC Enlistment # CAF-001-115

*Md. Mosarrat Hossain*

Md. Mosarrat Hossain ACA  
Partner  
Enrolment Number-1961  
DVC: 2405151961AS620445



**Ion Exchange Environment Management (BD) Ltd.**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2024**

<u>Particulars</u>	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>01 April 2023 to 31 March 2024</u>	<u>01 April 2022 to 31 March 2023</u>
Revenue		174,392,173	150,760,941
Less: Expenditure		161,182,562	141,244,000
Direct cost	13.00	124,915,099	107,815,580
Personnel cost		16,401,826	15,688,934
Operating and other expenses	14.00	18,638,292	16,945,724
Financial expenses		940,526	465,794
Depreciation		286,819	327,968
Net profit/(loss) before tax		13,209,611	9,516,940
Less: Income tax expenses		6,467,169	4,262,613
Net profit/(loss) after tax		6,742,442	5,254,328
Add: Other comprehensive income		-	-
Total comprehensive income		6,742,442	5,254,328

  
Director

*These financial statements should be read in conjunction with the annexed notes.*

  
Director

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

Dated: 15 May 2024  
Dhaka.

Ahmed Mashuque & Co.  
Chartered Accountants  
IRC Enlistment # CAF-001-115

*Md. Mosarrat Hossain*

Md. Mosarrat Hossain ACA  
Partner  
Enrolment Number-1961  
DVC: 2405151961AS620445



**Ion Exchange Environment Management (BD) Ltd.**  
**Statement of changes in equity**  
**For the year ended 31 March 2024**

<u>Particulars</u>	<u>Amount in Taka</u>		
	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as at 01 April 2022	5,586,200	32,659,125	38,245,325
Total comprehensive income	-	5,254,328	5,254,328
Balance as at 31 March 2023	<u>5,586,200</u>	<u>37,913,453</u>	<u>43,499,653</u>
Balance as at 01 April 2023	5,586,200	37,913,453	43,499,653
Total comprehensive income	-	6,742,442	6,742,442
Balance as at 31 March 2024	<u>5,586,200</u>	<u>44,655,895</u>	<u>50,242,095</u>

*These financial statements should be read in conjunction with the annexed notes.*

  
Director

  
Director



**Ion Exchange Environment Management (BD) Ltd.**  
**Statement of cash flows**  
**For the year ended 31 March 2024**

<b>Particulars</b>	<b>Amount in Taka</b>	
	<b>01 April 2023 to 31 March 2024</b>	<b>01 April 2022 to 31 March 2023</b>
<b>Cash flow from operating activities:</b>		
Net profit/(loss) after tax	6,742,442	5,254,328
Adjustment for depreciation	286,819	327,968
Net profit before change in working capital components	7,029,261	5,582,296
<b>Change in working capital components</b>	<b>(4,647,392)</b>	<b>(10,199,599)</b>
<b>(Increase)/ decrease in current asset</b>	<b>(12,651,627)</b>	<b>(15,751,460)</b>
Inventories	(4,460,818)	(8,115,396)
Accounts receivable	(5,666,232)	(7,441,499)
Advances, deposits and prepayments	(320,548)	1,233,706
Advance income tax	(2,204,028)	(1,428,270)
<b>Increase/(decrease) in current liabilities</b>	<b>8,004,234</b>	<b>5,551,861</b>
Accounts payable	5,228,274	(6,926,661)
Bank overdraft	2,896,693	13,089,016
Advance from customers	(2,036,559)	645,481
Provision for income tax	2,204,556	1,428,270
Payable for expenses and other	(288,730)	(2,684,244)
<b>A. Net cash flow from operating activities</b>	<b>2,381,869</b>	<b>(4,617,303)</b>
<b>Cash flow from investing activities:</b>		
Acquisition of fixed assets	(62,500)	(91,500)
<b>B. Net cash flow from investing activities</b>	<b>(62,500)</b>	<b>(91,500)</b>
<b>Cash flow from financing activities:</b>		
<b>C. Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>2,319,369</b>	<b>(4,708,803)</b>
Add: Cash and cash equivalents at the beginning of the year	839,207	5,548,010
<b>Cash and cash equivalents at the end of the year</b>	<b>3,158,575</b>	<b>839,207</b>

*These financial statements should be read in conjunction with the annexed notes.*

  
Director

  
Director



**Ion Exchange Environment Management (BD) Ltd.**  
**Notes to the financial statements**  
**As at and for the year ended 31 March 2024**

**1.00 Legal status of the company**

Ion Exchange Environment Management (BD) Ltd. is a private limited company incorporated on 26 February 2006 in Bangladesh under the Companies Act, 1994 vide incorporation # C-60662(2671)/06 with an authorized capital of Tk 10,000,000 divided into 100,000 ordinary shares of Tk. 100 each. The present registered office of the company is located at Jamur, Kandachor, Hemayetpur, Savar, Dhaka, Bangladesh.

**2.00 Nature of business**

The principal activities of the company are to Import, Export, Selling, Distribution of machinery and spares.

**3.00 Components of financial statements**

The financial statements comprise the following:

- (i) Statement of financial position as at 31 March 2024;
- (ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2024;
- (iii) Statement of changes in equity for the year ended 31 March 2024;
- (iv) Statement of cash flows for the year ended 31 March 2024; and
- (v) Notes to the financial statements as at and for the year ended 31 March 2024

**4.00 Summary of significant accounting policies**

**4.01 Presentation of financial statements and basis of accounting**

These financial statements have been prepared following generally accepted accounting principles under historical cost convention and after due compliance with International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other applicable laws and regulations.

**4.02 Revenue recognition**

Revenue is measured at the fair market value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. When the outcome of the transaction can be measured reliably, revenue from rendering service is recognized by reference to the stage of completion at the date of financial position.

**4.03 Effect of IFRS 16**

Ion Exchange Environment Management (BD) Ltd. does not require to implement IFRS 16 Leases on Financial Statements as the lease terms are cancellable. As per IFRS 16 para 18, the entity shall determine the lease term as non-cancellable period of lease.

**4.04 Provisions**

Provisions are recognized when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle the obligation at the date of financial position.

**4.05 Inventories**

As per IAS-2, Inventories are stated at the lower of cost and net realizable value.

**4.06 Depreciation**

Depreciation has been charged on property, plant and equipment on reducing balance method. The rate is given below

<u>Particulars:</u>	<u>Rates</u>
Furniture and Fixtures	10%
Equipment	20%
Computer and Accessories	18%
Lab Equipments	18%
Warehouse Building	10%

**4.07 Cash and cash equivalents**

It indicates cash in hand and bank deposits, which were held and available for use by the company without any restriction





#### 4.08 Reporting period

The financial period of the company has been determined to be from 01 April to 31 March each year. These financial statements cover one year from 01 April 2023 to 31 March 2024

#### 4.09 Reporting currency and level of precision

All the figures in the financial statements are presented in Bangladeshi Taka currency (BDT) and rounded off to the nearest taka.

#### 4.10 Comparative figures

Comparative figures have been regrouped/reclassified wherever found necessary to conform to the presentation adopted in these financial statements.

#### 4.11 Provision for income tax

Provision for income tax has been made in line with the provision of the Income Tax Act, 2023.

		Amount in Taka	
		31 March 2024	31 March 2023
<b>5.00 Property, plant and equipment</b>		<b>1,700,284</b>	<b>1,924,603</b>
This represents the written down value of capital assets held by the company as at the date of financial position. Details schedule of property, plant and equipment has been enumerated in Schedule - A.			
<b>6.00 Advances, deposits and prepayments</b>		<b>9,604,418</b>	<b>9,283,870</b>
Advance for rental of premises and guest house	1,163,250	1,163,250	
Advance to employees	692,831	595,798	
VAT current A/C	114,515	(413,145)	
L/C margin	5,233,219	4,234,028	
Advance for car rent	30,000	30,000	
Advance for commission	400,000	400,000	
Other Advance	(416,416)	(615,794)	
Advance against expenses	327,323	188,860	
Security deposit for electric line	109,728	109,728	
Bank guarantee margin	1,949,968	3,591,147	
<b>7.00 Advance income tax</b>		<b>6,466,641</b>	<b>4,262,613</b>
Opening balance	4,262,613	2,834,343	
Add: Addition during the year	6,466,641	4,262,613	
Less: Adjustment during the year	(4,262,613)	(2,834,343)	
<b>8.00 Cash and cash equivalents</b>		<b>3,158,575</b>	<b>839,207</b>
Cash in hand	624,208	687,609	
Dhaka Bank Limited	342,407	151,598	
State Bank of India, CD A/C	2,191,960	-	
<b>9.00 Share capital</b>			
<b>Authorized share capital</b>		<b>10,000,000</b>	<b>10,000,000</b>
(100,000 Ordinary Share @ Tk.100)			
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		<b>5,586,200</b>	<b>5,586,200</b>
( 55,862 Ordinary Shares @ TK.100 each )			
The paid-up share capital of the company as on 31 March 2022 comprises the following:			
	<b>5,586,200</b>	<b>5,586,200</b>	
Ion Exchange (India) Ltd.	5,585,900	5,585,900	
(55,859 Ordinary Shares @ Tk.100)			
Mr. Dinesh Sharma	100	100	
(01 Ordinary Share @ Tk.100)			
Mr. Jitendra Padmakar Pathare	100	100	
(01 Ordinary Share @ Tk.100)			
Mr. Md. Julfikar Sheikh	100	100	
(01 Ordinary Share @ Tk.100)			



		Amount in Taka	
		31 March 2024	31 March 2023
<b>10.00 Bank overdraft</b>		<b>15,985,709</b>	<b>13,089,016</b>
Standard Chartered Bank		2,390,648	1,470,156
Standard Chartered Bank Short Loan		5,150,250	-
State Bank of India, CD A/C		-	1,073
State Bank of India A/C		8,444,811	11,617,787
<b>11.00 Payable for expenses and other</b>		<b>8,013,874</b>	<b>8,302,604</b>
Audit fees payable		86,250	86,250
Salaries and allowance payable		780,803	812,389
Provision for warranty support		579,732	579,732
Office rent Payable		52,525	52,500
TDS payable		-	(27,366)
VDS payable		(13,863)	(11,598)
VAT payable		45,135	27,405
Other Payable		6,483,291	6,783,291
<b>12.00 Contingent liability</b>			
Bank guarantee margin		1,949,968	3,591,147
<b>13.00 Direct cost</b>		<b>124,915,099</b>	<b>107,815,580</b>
Cost of materials (13.01)		111,402,101	93,729,201
Other direct cost		13,512,997	14,086,379
<b>13.01 Cost of Materials</b>		<b>111,402,101</b>	<b>93,729,201</b>
Opening inventory		25,424,786	17,309,390
Add: Purchased during the year		115,862,920	101,844,597
Less: Closing inventory		(29,885,605)	(25,424,786)
<b>14.00 Operating and other expenses</b>		<b>18,638,292</b>	<b>16,945,724</b>
Rental of office premises		3,471,876	3,391,086
Guest house rental		-	114,000
Car rent expense		-	355,016
Conveyance		5,011,123	4,637,637
Legal and professional fees		170,353	499,650
Staff refreshment and welfare		1,981,412	1,322,528
Repair and maintenance		944,189	441,183
Office supplies		638,671	554,285
Telephone, mobile and fax		345,528	323,381
Internet and e-mail expenses		127,530	171,540
License, registration and renewal		59,800	80,800
Newspaper, books and periodicals		103,560	25,560
Housekeeping expenses		794,598	788,914
Hotel accommodation		422,884	284,900
Insurance premium		316,826	431,035
Traveling expenses		169,533	716,198
Postage and delivery expenses		223,693	139,782
General and miscellaneous expenses		1,004,500	600,166
Fuel and lubricant		606,478	434,534
Utility bill		420,579	290,724
Bank charges		275,588	395,031
Audit fees		86,250	86,250
Advertisement expenses		73,509	122,375
Loading and unloading charges		281,350	212,709
Fair and exhibition expenses		443,210	245,765
Rates and Taxes		186,839	-
Lab chemical		-	20,000
Water test expenses		170,450	34,840
Medical treatment expenses		234,393	118,985
Tender cost		50,500	43,090
Training expenses		23,070	63,760



Amount in Taka	
01 April 2023	01 April 2022
to	to
31 March 2024	31 March 2023

#### 15.00 Related party transactions

During the reporting period, the company entered into a number of transactions with related party. The name of the related party, nature of the transactions and amount thereof have been set out below in accordance with the provisions of IAS 24 "Related party disclosures".

Name of related party	Relationship	Nature of transactions	Transactions during the period	Outstanding as at 31 March 2024
			Taka	Taka
Ion Exchange (India) Ltd.	Holding company	Purchase of goods	12,979,656	-



Ion Exchange Environment Management (BD) Ltd.  
Schedule of property, plant and equipment  
As at 31 March 2024

## Tangible assets

SL. No.	Particulars	Cost			Depreciation				Written Down Value (WDV)
		Opening balance as at 01 April 2023	Addition during the year	Closing balance as at 31 March 2024	Rate	Opening balance as at 01 April 2023	Charged during the year	Closing balance as at 31 March 2024	As at 31 March 2024
1	Furniture and Fixtures	788,282		788,282	10%	535,237	25,304	560,542	227,740
2	Equipment	2,435,732		2,435,732	20%	1,990,019	89,143	2,079,162	356,570
3	Computer and Accessories	1,622,668	62,500	1,685,168	18%	1,255,419	77,355	1,332,774	352,394
4	Lab Equipments	997,409		997,409	18%	882,941	20,604	903,545	93,864
5	Warehouse Building	1,862,493		1,862,493	10%	1,133,128	72,937	1,206,064	656,429
	<b>Total</b>	<b>7,706,584</b>	<b>62,500</b>	<b>7,769,084</b>	-	<b>5,796,744</b>	<b>285,343</b>	<b>6,082,086</b>	<b>1,686,998</b>

## Intangible assets

SL. No.	Particulars	Cost			Depreciation				Written Down Value (WDV)
		Opening balance as at 01 April 2023	Addition during the year	Closing balance as at 31 March 2024	Rate	Opening balance as at 01 April 2023	Charged during the year	Closing balance as at 31 March 2024	As at 31 March 2024
1	Accounting Software	25,000	-	25,000	10%	10,238	1,476	11,714	13,286
	<b>Total</b>	<b>25,000</b>	<b>-</b>	<b>25,000</b>		<b>10,238</b>	<b>1,476</b>	<b>11,714</b>	<b>13,286</b>
	<b>Balance as at 31 March 2024</b>	<b>7,731,584</b>	<b>62,500</b>	<b>7,794,084</b>	-	<b>5,806,981</b>	<b>286,819</b>	<b>6,093,800</b>	<b>1,700,284</b>
	<b>Balance as at 31 March 2023</b>	<b>7,640,084</b>	<b>91,500</b>	<b>7,731,584</b>	-	<b>5,479,013</b>	<b>327,968</b>	<b>5,806,981</b>	<b>1,924,603</b>

