

**Independent Auditor's Report
and
Financial Statements
of
ION EXCHANGE ENVIRONMENT MANAGEMENT
(BD) LTD.
As at 31 March 2025
and
for the year ended 31 March 2025**



AHMED MASHUQUE & CO., Chartered Accountants

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**Independent Auditor's 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 2025 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 2025 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 Accountant's 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.



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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: 17 May 2025
Dhaka.

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

Md. Mosarraf Hossain

Md. Mosarraf Hossain FCA
Partner
Enrolment Number-1961
DVC: 2505171961AS361388

Ion Exchange Environment Management (BD) Ltd.
Statement of financial position
As at 31 March 2025

		Amount in Taka	
	Notes	31 March 2025	31 March 2024
Assets			
Non-current assets		1,729,333	1,700,284
Property, plant and equipment	5.00	1,729,333	1,700,284
Current assets		129,261,537	121,134,293
Inventories		41,231,089	29,885,605
Accounts receivable		82,375,078	72,019,054
Advances, deposits and prepayments	6.00	1,907,055	9,604,418
Advance income tax	7.00	3,086,617	6,466,641
Cash and cash equivalents	8.00	661,698	3,158,575
Total assets		130,990,870	122,834,576
Shareholders' equity and liabilities			
Shareholders' equity		52,289,229	50,242,095
Share capital	9.00	5,586,200	5,586,200
Retained earnings		46,703,029	44,655,895
Current liabilities		78,701,641	72,592,482
Accounts payable		22,555,887	18,301,505
Bank overdraft	10.00	27,792,979	15,985,709
Advance from customers		17,774,882	23,824,225
Payable for expenses and other	11.00	7,490,748	8,013,874
Provision for income tax		3,087,145	6,467,169
Total shareholders' equity and liabilities		130,990,870	122,834,576

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

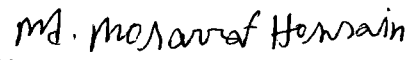

Director


Director

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

Dated: 17 May 2025
Dhaka.

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


Md. Mosarraf Hossain FCA
Partner
Enrolment Number-1961
DVC: 2505171961AS361388

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Ion Exchange Environment Management (BD) Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2025

<u>Particulars</u>	<u>Notes</u>	<u>Amount in Taka</u>	
		<u>01 April 2024 to 31 March 2025</u>	<u>01 April 2023 to 31 March 2024</u>
Revenue		156,153,606	174,392,173
Less: Expenditure		151,019,327	161,182,562
Direct cost	13.00	113,295,640	124,915,099
Personnel cost		17,735,123	16,401,826
Operating and other expenses	14.00	17,592,526	18,638,292
Financial expenses		2,095,288	940,526
Depreciation		300,750	286,819
Net profit/(loss) before tax		5,134,279	13,209,611
Less: Income tax expenses		3,087,145	6,467,169
Net profit/(loss) after tax		2,047,134	6,742,442
Add: Other comprehensive income		-	-
Total comprehensive income		2,047,134	6,742,442

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


Director


Director

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

Dated: 17 May 2025
Dhaka.

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

Md. Mosarraf Hossain

Md. Mosarraf Hossain FCA
 Partner
 Enrolment Number-1961
 DVC: 2505171961AS361388

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Ion Exchange Environment Management (BD) Ltd.
Statement of changes in equity
For the year ended 31 March 2025

<u>Particulars</u>	<u>Amount in Taka</u>		
	<u>Share Capital</u>	<u>Retained Earnings</u>	<u>Total</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>
Balance as at 01 April 2024	5,586,200	44,655,895	50,242,095
Total comprehensive income	-	2,047,134	2,047,134
Balance as at 31 March 2025	<u>5,586,200</u>	<u>46,703,029</u>	<u>52,289,229</u>

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


Director


Director

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Ion Exchange Environment Management (BD) Ltd.
Statement of cash flows
For the year ended 31 March 2025

Particulars	Amount in Taka	
	01 April 2024 to 31 March 2025	01 April 2023 to 31 March 2024
Cash flow from operating activities:		
Net profit/(loss) after tax	2,047,134	6,742,442
Adjustment for depreciation	300,750	286,819
Net profit before change in working capital components	<u>2,347,884</u>	<u>7,029,261</u>
Change in working capital components	(4,514,963)	(4,647,392)
(Increase)/ decrease in current asset	(10,624,122)	(12,651,627)
Inventories	(11,345,484)	(4,460,818)
Accounts receivable	(10,356,024)	(5,666,232)
Advances, deposits and prepayments	7,697,363	(320,548)
Advance income tax	3,380,024	(2,204,028)
Increase/ (decrease) in current liabilities	6,109,159	8,004,234
Accounts payable	4,254,382	5,228,274
Bank overdraft	11,807,270	2,896,693
Advance from customers	(6,049,343)	(2,036,559)
Provision for income tax	(3,380,024)	2,204,556
Payable for expenses and other	(523,125)	(288,730)
A. Net cash flow from operating activities	(2,167,079)	2,381,869
Cash flow from investing activities:		
Acquisition of fixed assets	(329,799)	(62,500)
B. Net cash flow from investing activities	(329,799)	(62,500)
Cash flow from financing activities:		
C. Net cash flow from financing activities	-	-
Net cash increase/(decrease) in cash and cash equivalents (A+B+C)	(2,496,878)	2,319,369
Add: Cash and cash equivalents at the beginning of the year	3,158,575	839,207
Cash and cash equivalents at the end of the year	661,698	3,158,575

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


Director


Director

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Ion Exchange Environment Management (BD) Ltd.
Notes to the financial statements
As at and for the year ended 31 March 2025

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 2025;
- (ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2025;
- (iii) Statement of changes in equity for the year ended 31 March 2025;
- (iv) Statement of cash flows for the year ended 31 March 2025; and
- (v) Notes to the financial statements as at and for the year ended 31 March 2025.

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

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1.08 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 2024 to 31 March 2025.

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 2025	31 March 2024
5.00 Property, plant and equipment		1,729,333	1,700,284
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.			
6.00 Advances, deposits and prepayments		1,907,055	9,604,418
Advance for rental of premises and guest house	863,250	1,163,250	
Advance to employees	859,692	692,831	
VAT current A/C	(407,183)	114,515	
I/C margin	0	5,233,219	
Advance for car rent	30,000	30,000	
Advance for commission	400,000	400,000	
Other Advance	(615,045)	(416,416)	
Advance against expenses	48,707	327,323	
Security deposit for electric line	109,728	109,728	
Bank guarantee margin	617,906	1,949,968	
7.00 Advance income tax		3,086,617	6,466,641
Opening balance	6,466,641	4,262,613	
Add: Addition during the year	3,087,145	6,466,641	
Less: Adjustment during the year	(6,467,169)	(4,262,613)	
8.00 Cash and cash equivalents		661,698	3,158,575
Cash in hand	608,777	624,208	
Dhaka Bank Limited	52,920	342,407	
State Bank of India, CD A/C	1	2,191,960	
9.00 Share capital			
Authorized share capital		10,000,000	10,000,000
(100,000 Ordinary Share @ Tk.100)			
Issued, Subscribed & Paid up Share Capital		5,586,200	5,586,200
(55,862 Ordinary Shares @ TK.100 each)			
The paid up share capital of the company as on 31 March 2022 comprises the following:			
	5,586,200	5,586,200	
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)			

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		Amount in Taka	
		31 March 2025	31 March 2024
10.00 Bank overdraft		27,792,979	15,985,709
Standard Chartered Bank	4,879,830	2,390,648	
Standard Chartered Bank Short Loan	12,903,105	5,150,250	
State Bank of India, CD A/C	-	-	
State Bank of India A/C	10,010,044	8,444,811	
11.00 Payable for expenses and other		7,490,748	8,013,874
Audit fees payable	115,000	86,250	
Salaries and allowance payable	998,337	780,803	
Provision for warranty support	579,732	579,732	
Office rent Payable	57,525	52,525	
TDS payable	64,549	-	
VDS payable	18,987	(13,863)	
VAT payable	27,085	45,135	
Other Payable	5,629,531	6,483,291	
12.00 Contingent liability			
Bank guarantee margin	617,906	1,949,968	
13.00 Direct cost		113,295,640	124,915,099
Cost of materials (13.01)	95,741,562	111,402,101	
Other direct cost	17,554,079	13,512,997	
13.01 Cost of Materials		95,741,562	111,402,101
Opening inventory	29,885,605	25,424,786	
Add: Purchased during the year	107,087,046	115,862,920	
Less: Closing inventory	(41,231,089)	(29,885,605)	
14.00 Operating and other expenses		17,592,526	18,638,292
Rental of office premises	3,419,912	3,471,876	
Electric Equipment	48,711	-	
Warranty Support	18,000	-	
Conveyance	4,871,238	5,011,123	
Legal and professional fees	386,476	170,353	
Staff refreshment and welfare	2,215,794	1,981,412	
Repair and maintenance	780,124	944,189	
Office supplies	322,309	638,671	
Telephone, mobile and fax	433,403	345,528	
Internet and e-mail expenses	93,365	127,530	
License, registration and renewal	86,090	59,800	
Newspaper, books and periodicals	19,400	103,560	
Housekeeping expenses	608,721	794,598	
Hotel accommodation	555,078	422,884	
Insurance premium	612,299	316,826	
Traveling expenses	281,590	169,533	
Postage and delivery expenses	250,678	223,693	
General and miscellaneous expenses	570,610	1,004,500	
Fuel and lubricant	446,813	606,478	
Utility bill	380,395	420,579	
Bank charges	282,747	275,588	
Audit fees	115,000	86,250	
Advertisement expenses	27,410	73,509	
Loading and unloading charges	191,350	281,350	
Fair and exhibition expenses	245,800	443,210	
Rates and Taxes	-	186,839	
Lab chemical	40,000	-	
Water test expenses	89,700	170,450	
Medical treatment expenses	137,559	234,393	
Tender cost	43,654	50,500	
Training expenses	18,300	23,070	

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Amount in Taka	
01 April 2024 to 31 March 2025	01 April 2023 to 31 March 2024

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 2025
			Taka	Taka
Ion Exchange (India) Ltd.	Holding company	Purchase of goods	19,032,348	-

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Environmental Management (BD) Ltd.

Schedule of property, plant and equipment

As at 31 March 2025

Tangible assets

SL. No.	Particulars	Cost			Rate	Depreciation			Written Down Value (WDV)
		Opening balance as at 01 April 2024	Addition during the year	Closing balance as at 31 March 2025		Opening balance as at 01 April 2024	Charged during the year	Closing balance as at 31 March 2025	As at 31 March 2025
1	Furniture and Fixtures	788,282		788,282	10%	560,542	22,774	583,316	204,966
2	Equipment	2,435,732		2,435,732	20%	2,079,162	71,314	2,150,476	285,256
3	Computer and Accessories	1,685,168	329,799	2,014,967	18%	1,332,774	122,795	1,455,568	559,399
4	Lab Equipments	997,409		997,409	18%	903,545	16,896	920,440	76,969
5	Warehouse Building	1,862,493		1,862,493	10%	1,206,064	65,643	1,271,707	590,786
Total		7,769,084	329,799	8,098,883	-	6,082,086	299,421	6,381,508	1,717,375

Intangible assets

SL. No.	Particulars	Cost			Rate	Depreciation			Written Down Value (WDV)
		Opening balance as at 01 April 2024	Addition during the year	Closing balance as at 31 March 2025		Opening balance as at 01 April 2024	Charged during the year	Closing balance as at 31 March 2025	As at 31 March 2025
1	Accounting Software	25,000	-	25,000	10%	11,714	1,329	13,043	11,957
Total		25,000	-	25,000		11,714	1,329	13,043	11,957
Balance as at 31 March 2025		7,794,084	329,799	8,123,883	-	6,093,800	300,750	6,394,550	1,729,333

Balance as at 31 March 2024	7,731,584	62,500	7,794,084	-	5,806,981	286,819	6,093,800	1,700,284
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