

EASTERN LUBRICANTS BLENDERS LIMITED
AUDITORS' REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Ahmed Zaker & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
EASTERN LUBRICANTS BLENDERS LIMITED**

Opinion

We have audited the financial statements of **EASTERN LUBRICANTS BLENDERS LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2021 to 30 June 2022, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) 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 and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
<p>Revenue Recognition</p> <ul style="list-style-type: none"> • Appropriateness of revenue recognition and disclosures on the impact of the application of IFRS 15. • Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is completed through passing of control to the customers. Revenue from the sale of goods is recognized when the company has delivered products to the customers at the shipping point and control has passed. • There is a risk that the company might misstate/manipulate sales quantity or price in the financial statements. 	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; • The timing of revenue recognition. <p>Our substantive procedures in relation to the revenue comprise the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year-end as well as debit notes issued after the year-end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Verifying sales price from price list and price sensitive information;

Other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

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 of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

We also provide with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:


- i) 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;
- 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 these books;
- iii) the 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 and returns; and
- iv) the expenditure incurred was for the purposes of the Company's business.

09 NOV 2022

Dated: Chattogram

Ahmed Zaker & Co.
Chartered Accountants

Hoda Vasi Chowdhury & Co
Chartered Accountants



Arup Chowdhury, FCA (0893)
Partner

Showkat Hossain, FCA (0137)
Senior Partner

DVC: 2211090893A555150

DVC: 2211090137A5139946



EASTERN LUBRICANTS BLENDEES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	8,473	7,066
Capital Work In progress	5	22,535	-
Investment in Quoted Shares at Fair Value	6	1,602	1,340
Total Non-Current Assets		32,610	8,406
Current Assets			
Inventories	7	7,048	80,188
Account Receivables	8	15,066	16,028
Advances and Pre-payments	9	8,089	24,640
Cash and Cash Equivalents	10	370,826	350,690
Total Current Assets		401,029	471,547
Total Assets		433,639	479,953
EQUITY AND LIABILITIES			
Equity			
Share Capital	11	11,928	9,940
Retained Earnings		209,227	213,901
Depreciation Fund Reserve	12	1,851	1,753
General Reserve		667	667
Total Equity		223,673	226,261
Non-Current Liabilities			
Deferred Tax Liability	13	763	832
Total Non-Current Liabilities		763	832
Current Liabilities			
Advance against sales	14	993	1,537
Creditors and Accruals	15	190,930	218,260
Revolving Fund	16	12,107	12,107
Unclaimed Dividend	17	1,419	2,368
Provision for Income Tax	18	3,003	15,072
Workers' Profit Participation and Welfare Fund	19	751	3,516
Total Current Liabilities		209,203	252,860
Total Liabilities		209,966	253,692
Total Equity and Liabilities		433,639	479,953
Net Assets Value (NAV) Per Share in Taka	30	187.52	227.63

These financial statements should be read in conjunction with the annexed notes 01 to 37
and were approved by the Board of Directors on 07 November 2022
and were signed on its behalf by:


Company Secretary


Managing Director & CEO

 
Director Director


Signed in terms of our separate report of even date annexed

09 NOV 2022

Dated: Chattogram

Ahmed Zaker & Co.
Chartered Accountants

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Arup Chowdhury, FCA (0893)
Partner
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Senior Partner
DVC: 2211090137 AS 139946




EASTERN LUBRICANTS BLENDEERS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

Taka in '000

	Share Capital	Retained Earning	Depreciation Fund Reserve	General Reserve	Total
Balance as on 01 July 2020	9,940	165,844	929	667	177,380
Surplus From Investment	-	-	824	-	824
Cash Dividend for the 2019-2020	-	(2,982)	-	-	(2,982)
Net Profit for the year	-	51,039	-	-	51,039
Balance as at 30 June 2021	9,940	213,901	1,753	667	226,261
Balance as on 01 July 2021	9,940	213,901	1,753	667	226,261
Surplus From Investment	-	-	98	-	98
Stock Dividend for the 2020-2021	1,988	(1,988)	-	-	-
Cash Dividend for the 2020-2021	-	(13,916)	-	-	(13,916)
Net Profit for the year	-	11,230	-	-	11,230
Balance as at 30 June 2022	11,928	209,227	1,851	667	223,673

These financial statements should be read in conjunction with the annexed notes 01 to 37
and were approved by the Board of Directors on 07 November 2022
and were signed on its behalf by:



Company Secretary



Managing Director & CEO

Director Director



EASTERN LUBRICANTS BLENDERS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note(s)	Taka in '000	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
A. Operating activities			
Receipts from customers against sales and others		213,408	410,117
Cash receipt/(paid) to suppliers and others		(149,494)	(369,199)
Cash generated by operations	28	63,914	40,918
Advance Income Tax paid	9.01.01	(4,632)	(10,196)
Net cash provided by/(used in) operating activities		59,282	30,722
B. Investing activities			
Capital Work In progress	5	(22,535)	-
Acquisition of Property, Plant & Equipment	4	(1,746)	-
Investment in FDR for depreciation Fund		-	18,000
Net cash provided by/(used in) investing activities		(24,281)	18,000
C. Financing activities			
Dividend paid	17	(14,934)	(2,919)
Stock Dividend-Fractional	17	54	-
Interest Thereon	17	15	-
Net cash provided by/(used in) financing activities		(14,865)	(2,919)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		20,136	45,804
E. Cash and Cash Equivalents at the beginning of the year	10	350,690	304,885
F. Cash and Cash Equivalents at the end of the year (D+E)	10	370,826	350,689
Net operating cash flows (NOCF) per share in Taka	31	49.70	30.91



These financial statements should be read in conjunction with the annexed notes 01 to 37
and were approved by the Board of Directors on 07 November 2022
and were signed on its behalf by:



Company Secretary



Managing Director & CEO

Director Director



EASTERN LUBRICANTS BLENDERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

1.00 The Reporting Entity

1.01 Legal form of Enterprise

The company was incorporated as public limited company on 22 October 1963 under the Companies Act 1913, later substituted by the Companies Act, 1994. The registered office of the company is located at Strand Road, Sadarghat, Chittagong-4000, Bangladesh. Its shares are quoted in the Dhaka Stock Exchange limited.

1.02 Nature of the Business

The principal activity of the Company is Blending of Lubricating Oils and Greases on behalf of Petroleum Marketing Companies, trading Base Oil with Petroleum Marketing Companies and marketing of Battery. The company carries on its business activities with the direct assistance of Padma Oil Company Limited.

2.00 Basis of Preparation, Presentation & Disclosures of Financial Statements

2.01 Statement of Compliance

The financial statements of the company under reporting have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh.

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) Statement of financial position as at 30 June 2022;
- b) Statement of profit or loss and other comprehensive income for the year ended 30 June 2022;
- c) Statement of changes in equity for the year ended 30 June 2022;
- d) Statement of cash flows for the year ended 30 June 2022;
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- a) The Income Tax Ordinance, 1984
- b) The Income Tax Rules, 1984
- c) Value Added Tax and Supplementary Duty Act, 2012
- d) The Value Added Tax and Supplementary Duty Rules, 2016
- e) The Customs Act, 1969
- f) The Labour Act 2006 (as amended in 2013)
- g) The Securities and Exchange Ordinance, 1969
- h) The Securities and Exchange Rules, 1987
- i) Securities and Exchange Commission Act, 1993

2.04 Authorization for Issue

The Board of Directors has authorized these financial statements for public issued on 04 February 2023.

2.05 Basis of Measurement

The financial statements have been prepared on going concern basis under the historical cost convention except investment in quoted shares which are measured at fair value.

2.06 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.



2.07 Reporting Period

The financial statements of the company covers one year from 01 July to 30 June which is followed consistently.

2.08 Applicable Accounting Standards

The following IASs and IFRSs are applicable for preparation and reporting of the financial statements for the year under review:

- IAS - 1 Presentation of Financial Statements
- IAS - 2 Inventories
- IAS - 7 Statement of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 10 Events after the reporting period
- IAS - 12 Income Taxes
- IAS - 16 Property, Plant and Equipment
- IAS - 19 Employee Benefits
- IAS - 24 Related Party Disclosures
- IAS - 33 Earnings Per Share
- IAS - 36 Impairment of Assets
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- IFRS - 7 Financial Instruments: Disclosures
- IFRS - 9 Financial Instruments
- IFRS - 13 Fair Value Measurement
- IFRS - 15 Revenue from Contracts with customers

2.09 Functional and Presentation Currency

The financial statements are presented in Bangladeshi Taka (BDT) which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest thousand Taka.

2.10 Cash Flows Statement

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.

2.11 Use of Estimates and Judgements

The preparation of these financial statements is in conformity with IAS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- | | |
|----------|-------------------------------|
| Note: 4 | Property, Plant and Equipment |
| Note: 7 | Inventories |
| Note: 8 | Account Receivables |
| Note: 13 | Deferred Tax Liability |
| Note: 15 | Creditors and Accruals. |
| Note: 18 | Provision for Income Tax |

2.12 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of Eastern Lubricants Blenders Limited is responsible for the preparation and presentation of financial statements of the Company.

2.13 Comparative Information

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.



3.00 Significant Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- 3.01 Consistency
- 3.02 Property, Plant and Equipment
- 3.03 Capital Work in Progress
- 3.04 Inventories
- 3.05 Financial Instruments
- 3.06 Impairment
- 3.07 Share Capital
- 3.08 Employee Benefits
- 3.09 Taxation
- 3.10 Provisions and Contingencies
- 3.11 Revenue Recognition
- 3.12 Earnings Per Share (EPS)
- 3.13 Segment Reporting
- 3.14 Changes in Accounting Policy
- 3.15 Events after the Reporting Period

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2022 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2021.

3.02 Property, Plant and Equipment

i) Recognition and Measurement

Property, plant and equipment are accounted for according to IAS 16 "Property, Plant and Equipment" at historical cost less cumulative depreciation.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

ii) Pre-Operating Expenses and Borrowing Costs

Interest and other incurred by the company in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS-23 "Borrowing Costs".

iii) Subsequent Costs and Maintenance Activities

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 the 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 repair and maintenance is normally charged off as revenue expenditure in the year 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 non current assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit or loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.



iv) Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in the statement of profit or loss and other comprehensive income on reducing balance method over the estimated useful lives of property, plant and equipment.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

Depreciation methods and useful lives are reassessed at the reporting date and adjusted if appropriate.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

Rates of depreciation on various categories of fixed assets are as follows:

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Building (Class-II)	2.5-5%
Building (Class-III)	7.5-15%
General Plant	7-7.5%
Underground Cables	7.50%
Storage Tanks, Electric Machinery, Pipelines and Boilers	10-20%
Office Equipment	15%
Furniture and Fixture	5%
Motor Cars, Trucks and Bowsers	20%

v) Impairment of Assets

The company reviews the recoverable amount of its assets at each reporting date. If there exists any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with IAS-36 "Impairment of Assets".

vi) Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under non operating income in the statement of profit or loss and other comprehensive income.

vii) Depreciation Fund

Eastern Lubricant and Blenders Limited Depreciation Fund was formed on 05 October 2019 as per decision of The Ministry of Power, Energy and Mineral Resources vide memo no. 28.00.0000.029.01.008.18.356 dated 24 December 2018 and subsequently approved by the Board of Directors in their the meeting no. 248 held on 03 September 2019.

The objective of the fund is to accumulate the depreciation charged to the asset of the company in each financial year and use the fund for replacement of depreciated Assets/ procurement/ acquisition of new Assets/ new plant/ new business.

Five percent of income of the fund are distributed among the employees and workers who are in active service of the company equally.

Income from Investment in FDR for depreciation fund are not distributable to the shareholders of Eastern Lubricants and Blenders Limited.

Consolidation of Financial Statements of Eastern Lubricants and Blenders Limited Depreciation Fund has been made with the Eastern Lubricants Blenders Limited , Chattogram as per resolution the Board of Directors in their the meeting no. 249 held on 17 October 2019.



3.03 Capital Work in Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.04 Inventories

Nature of Inventories

Inventories comprise with Yuasa branded dry cell (battery) made in Japan, Bitumen and base oil.

Valuation of the Inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories is calculated at cost which includes expenditure incurred in acquiring these inventories and other costs incurred in bringing them to their existing location and condition in accordance with IAS 2 "Inventories".

3.05 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.05.01 Financial Assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets include Trade Receivables, Others Receivables, Advances, Deposits and Prepayments, and Cash and cash equivalents.

a) Account Receivables

Trade receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to un-collectability of any amount so recognized.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

Other receivables is initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

b) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

c) Cash and Cash Equivalents

According to IAS-7 "Statement of Cash Flows " cash comprises cash in hand and bank deposit and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of IAS 7 and IAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.



d) Equity Instrument Held for Trading

Investment in quoted shares are designated as held for trading financial asset. Equity investment is non derivative financial asset and not classified in any other categories of financial asset. Initially such financial asset is recognised by an entity when it becomes party to the contractual provisions of the instrument. Subsequently fair value of price quoted in market is adjusted directly through the statement of profit or loss and other comprehensive income having due compliance with IFRS 9.

3.05.02 Financial Liabilities

The company initially recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument. The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Financial liability comprises creditors and accruals.

a) Creditors and Accruals

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.06 Impairment

i) Financial Assets

Financial assets are not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

ii) Non-financial Assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3.07 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.08 Employee Benefits

3.08.01 Short Term Employee Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services is provided. Salaries, bonuses and allowances are accrued in the financial year in which the associated services are rendered by the employees of the Company.

3.08.02 Post Employment Benefits

Post employment benefits are employee benefits which are payable after the completion of employment.

i) Defined Contribution Plan

The company provides provident fund through Padma Oil Company Limited for its junior and senior executives. Both the employees and company contribute 10% of basic salary to the fund.



a) Pension and Gratuity

The company provides gratuity through Padma Oil Company Limited. Contribution to pension fund for pension and/or gratuity benefits is made at the rate as determined on the basis of valuation certified by an actuary after every three years.

b) Workers' Profit Participation & Welfare Fund

Provision for workers' profit participation and welfare fund has been made in the accounts @ 5% on profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006 (As amended in 2013).

3.09 Taxation

i) Current Tax

Income Tax is calculated and provision is made in accordance with IAS 12 'Income taxes'. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

ii) Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of Financial Position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per IAS-12 "Income Taxes".

The deferred tax asset/income or liability/expenses does not create a legal liability/recoverability to and from the income tax authority.

3.10 Provisions and Contingencies

A provision is recognized in the Statement of Financial Position when the company has a legal or contractual 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. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized.

3.11 Revenue Recognition

Revenue from blending charges is recognized on the basis of invoices raised as and when lubricants and greases are blended on behalf of Petroleum Marketing Companies.

Revenue from battery is recognized when the products are invoiced and dispatched to the customers.

Revenue from bitumen is recognized when the products are invoiced and dispatched to the customers.

Non-operating Income is recognized when respective income has been earned.

Revenue from rendering services shall be recognized in compliance with the requirements of IFRS 15 "Revenue from Contract with Customers".

3.12 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income of EPS is stated note 29 of the financial statements.

3.12.01 Basis of Earnings

This represents earnings for the year attributable to ordinary shareholders. As there is no preference shareholders, minority interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.



3.12.02 Basic Earnings Per Share

Basic Earnings per Share is calculated by dividing the basic earnings by the total number of ordinary shares outstanding at the end of the year.

3.12.03 Re-Styled Earnings Per Share

Issue of bonus share in any year requires re-stating the EPS of the prior year. In such a case, the EPS calculation for those and any prior financial statements presented are base on the new number of shares.

3.13 Segment Reporting

An operating Segment is a component of the company from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the company's other components, whose operating results are reviewed regularly by the company's management committee (being the chief operating decisions maker) to make decision about resources allocated to each segment and assess its performance.

3.14 Changes in Accounting Policy

There have been no changes in accounting policies. All policies have been applied consistently with those in the previous years.

3.15 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.



4.00 Property, Plant and Equipment -at Cost less Accumulated Depreciation

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written down value (WDV) at 30 June 2022
	Balance as on 01 July 2021	Addition during the year	Deletion during the year		Balance as on 01 July 2021	Charged during the year	Deletion during the year	
General Building								
Class-II	4,798	1,517	-	2.5-5%	816	105.09	921	5,394
Class-III	1,424	-	-	7.5-15%	1,346	6.24	1,352	72
General Plant	16,985	-	-	7-7.5%	14,097	216.65	14,314	2,672
Underground Cables	11	-	-	7.5%	10	0.01	10	1.0
Storage Tanks	1,284	-	-	10-20%	1,229	5.53	1,234	50
Electric Machinery	151	-	-	10-20%	151	-	151	(0.0)
Pipeline and Boilers	1,170	-	-	10-20%	1,113	5.66	1,119	51
Office Equipment	46	89	-	15%	45	0.06	45	89.3
Furniture and Fixture	23	140	-	5%	18	0.25	19	145
Truck and Browsers	580	-	-	20%	580	0.06	580	0.2
Balance as at 30 June 2022	26,472	1,746	-	-	19,406	340	19,746	8,473
Balance as at 30 June 2021	26,472	-	-	-	19,044	362	19,406	7,066

Depreciation Allocated to:

Note(s)	Taka in '000	
	30 June 2022	30 June 2021
21.01	340	362
	340	362

Blending Expenses



	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
5.00 Capital Work In progress			
Opening Balance		-	-
Add: Addition during the year	5.01	22,535	-
		<u>22,535</u>	<u>-</u>
Less: Capitalized during the year		-	-
Closing Balance		<u>22,535</u>	<u>-</u>

5.01 Details of capital work in progress:

Particular	Opening Balance	Addition	Capitalized Amount	Taka in '000	
				30 June 2022	30 June 2021
Automatic Dram and Can Filling Line	-	22,535	-	22,535	-
	-	<u>22,535</u>	-	<u>22,535</u>	<u>-</u>

6.00 Investment in Quoted Shares at Fair Value

Investment in Share:				
ICB Islamic Bank Limited (Formerly The Oriental Bank Limited)	6.01	1,602	1,340	
		<u>1,602</u>	<u>1,340</u>	
Market Price Per Share in Taka		4.90	4.10	

6.01 Calculation of Unrealized Gain/(Loss)

Particulars	Number of Shares	Taka in '000		
		Market Value as on 30 June 2022	Market Value as on 30 June 2021	Unrealized Gain/(Loss)
ICB Islamic Bank Limited	326,900	1,602	1,340	262
	<u>326,900</u>	<u>1,602</u>	<u>1,340</u>	<u>262</u>

Oriental Bank Limited's banking operation was suspended by Bangladesh Bank and subsequently was taken over by ICB Islamic Bank Limited. Bangladesh Bank issued circular BRPD (R-1) 651/9/(10)/2007/446 dated 02/08/07 for reorganization of Oriental Bank Limited's depositor fund and accordingly deposit holders are allowed a portion of their deposit into buying of shares in the Share Capital of ICB Islamic Bank Limited. In the process Company became owner of 326,900 shares of Tk 10 each valuing Tk 3,269,000.

The above mentioned investment in shares are carried at fair value (Taka 4.90 each) as on 30 June 2022. Net gain/(loss) thereon has been charged to the Statement of Profit or Loss & Other Comprehensive Income in due compliance with "IFRS-9: Financial Instruments.

	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
7.00 Inventories			
Yuasa Branded Battery	7.01	2,978	11,695
Stock in Bitumen		2,521	4,142
Stock in Base Oil		1,549	64,351
		<u>7,048</u>	<u>80,188</u>
* Base oil stock is lying with Standard Asiatic Oil Company Limited			
7.01 Yuasa Branded Battery			
Opening Balance		11,695	13,431
Add: Purchase During the Year		-	-
		11,695	13,431
Less: Return During the Year		(6,995)	(118)
		4,700	13,313
Less: Issued during the year		(1,722)	(1,618)
Closing Balance		<u>2,978</u>	<u>11,695</u>

7.01.01 Quantitative Reconciliation of Yuasa Branded Battery

	Quantity in pcs	
	30 June 2022	30 June 2021
Opening Inventory	1,216	1,368
Add: Purchase During the Year	-	-
	1,216	1,368
Less: Return during the year	(668)	-
Less: Issued during the year	(179)	(152)
Closing Inventory	<u>369</u>	<u>1,216</u>



		Taka in '000	
		30 June 2022	30 June 2021
8.00	Account Receivables		
	Trade Receivables	8.02 12,949	12,256
	Other Receivables	8.03 2,117	3,772
		15,066	16,028

8.01 Aging of Accounts Receivables:

Taka in '000				
Up to 6 months	Over 6 months but less than 1 year	1 Year or above but less than 2 years	2 Years and above	Total
Trade Receivables	-	-	12,949	12,949
Other Receivables	2,048	-	69	2,117
	2,048	-	13,018	15,066

	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
8.02 Trade Receivables			
Bangladesh Petroleum Corporation		6,495	7,463
Meghna Petroleum Limited		1,043	3,360
Jamuna Oil Company Limited		1,433	1,433
KB Petrochemicals Limited		3,978	-
		12,949	12,256
8.03 Other Receivables			
Accrued Interest on FDR		2,048	3,703
Others		69	69
		2,117	3,772

9.00 Advances and Pre-payments			
Advances	9.01	8,021	24,572
Pre-payments	9.02	68	68
		8,089	24,640

9.01 Advances			
Advance Income Tax	9.01.01	4,441	14,881
Advance License Fee		9	-
Advance VAT		3,545	9,665
Customs		26	26
		8,021	24,572

9.01.01 Advance Income Tax			
Opening Balance		14,881	6,691
Add: Paid/deducted during the year		4,632	10,196
Less: Adjusted during the year	18.00	(15,072)	(2,006)
Closing Balance		4,441	14,881

9.02 Pre-payments			
Insurance Premium		68	68
		68	68

	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
10.00 Cash and Cash Equivalents			
Cash at Bank	10.01	15,097	49,590
Fixed Deposit Receipts	10.02	355,428	300,182
Cash In Transit		301	918
		370,826	350,690



Note(s)	Taka in '000				
	30 June 2022	30 June 2021			
10.01 Cash at Bank					
	Name of Banks	Branch			
		Account Type			
	Standard Chartered Bank	Station Road	Call Deposit	772	773
	Standard Chartered Bank	Station Road	Dividend	636	689
	Prime Bank Limited	Halishahar	Current Deposit	10,312	26,987
	Mutual Trust Bank Limited	Agrabad	Depreciation Fund	3,055	21,141
	Eastern Bank Ltd.	Strand Road	Dividend	268	-
	Eastern Bank Ltd.	Strand Road	Fractional Dividend	54	-
				15,097	49,590

Name of Banks	Branch	Interest Rate	Purpose	Period	Taka in '000	
					30 June 2022	30 June 2021
10.02 Fixed Deposit Account						
ICB Islamic Bank Limited	Khatungonj	-	Investment	3 Months	1,107	1,107
NRB Global Bank	Mehidibag	6.00%	Investment	3 Months	150,352	109,872
Basic Bank Ltd.	Agrabad	6.00%	Investment	3 Months	90,000	102,062
Union Bank Ltd.	Pahartali	6.00%	Investment	6 Months	83,969	87,141
AB Bank Ltd.	CDA Avenue, Chattogram	6.00%	Investment	3 Months	30,000	-
					355,428	300,182

Out of FDR outstanding at ICB Islamic Bank Limited Tk. 13,075,573 and Tk 3,269,000 was adjusted with issuance of share of the ICB Islami Bank Limited (formerly The Oriental Bank Limited) and balance Tk. 9,806,573 was earmarked for refund on instalment basis. Tk. 6,700,000 was recovered up to previous years and Tk. 2,000,000 was recovered during the year ended 30 June 2017 making total recovery at Tk. 8,700,000. Balance Tk. 1,106,573 not yet recovered in the year as per schedule of repayment ref. BRPD(R-1)651/9(10)/2014-7015 dated 03/11/2014.

No. of Shares	Taka in '000	Taka in '000	
		30 June 2022	30 June 2021
11.00 Share Capital			
11.01 Authorized Capital:			
5,000,000 Ordinary shares of Tk. 10 each	50,000	50,000	50,000
	50,000	50,000	50,000
Issued, Subscribed and Paid-up Capital:			
195,000 Ordinary shares of Tk.10 each fully paid in cash	1,950	1,950	1,950
18,000 Ordinary shares of Tk 10 each fully paid for consideration other than cash	180	180	180
106,500 Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every two shares held on 31 December 1975	1,065	1,065	1,065
106,500 Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every three shares held on 31 October 1977	1,065	1,065	1,065
106,500 Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every four shares held on 31 May 1981	1,065	1,065	1,065
213,000 Shares of Tk.10 each issued as Bonus shares in the ratio of two shares for every five shares held on 31 May 1982	2,130	2,130	2,130
248,500 Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every three shares held on 31 January 1985	2,485	2,485	2,485
198,800 Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every three shares held on 18 January 2022	1,988	-	-
1,192,800 Ordinary shares of Tk.10 each	11,928	11,928	9,940



11.02 Position of Share Holding

Name of share holders	30 June 2022		30 June 2021	
	Percentage of share holding	Number of Shares	Percentage of share holding	Number of Shares
A. Bangladesh Petroleum Corporation	51.00%	608,381	51.00%	506,943
B. Public Institutions				
Jiban Bima Corporation	15.04%	179,424	15.04%	149,520
Adamjee Sons Limited	1.94%	23,127	1.94%	19,273
Bangladesh General Limited	1.11%	13,272	1.11%	11,060
Bangladesh Commodities Limited	0.83%	9,912	0.83%	8,260
Sonali Bank Limited	0.00%	-	0.56%	5,593
Tea Bangladesh Limited	0.83%	9,912	0.83%	8,260
Sadharan Bima Corporation	0.08%	903	0.08%	753
	19.83%	236,550	20.39%	202,719
C. Private Institution				
Star Line Food Products Ltd.	0.01%	135	0.00%	-
M. Securites Ltd.	0.01%	124	0.01%	100
Rimons Investment & Securities	0.01%	120	0.05%	455
M/S Tashin Enterprise	0.01%	120	0.04%	389
Ahmed Iqbal Hasan Securities Ltd.	0.88%	10,451	0.10%	1,000
ASL Strategic Investment	0.02%	250	0.00%	-
FSIL Strategic Investment	0.04%	490	0.06%	610
Excellent Investment Limited	0.03%	402	0.00%	-
Radiance Knitwears Ltd.	0.08%	1,000	0.10%	1,000
Delta Brac Housing Finance Cor.	0.01%	100	4.83%	48,011
K.M. Trading	0.01%	89	0.06%	600
ICB Portfolio Bogra	0.09%	1,060	0.04%	351
NBL Capital & Equity MGT.Ltd	0.02%	222	0.04%	400
Be Rich Limited	0.05%	612	0.00%	-
Popular Life Insurance Co. Ltd.	0.25%	3,000	0.02%	150
M.R. International	0.01%	120	0.01%	50
Priom Sadia Agro PVT. EMP	0.02%	226	0.01%	100
Shourav Trading International	0.34%	4,000	0.00%	-
Meghna Life Insurance Co. Ltd.	0.06%	750	0.00%	-
Karnaphuli Insurance Co. Ltd	0.03%	391	0.00%	-
Islami Bank Employees C.S.L	0.08%	900	0.00%	-
Holy Asset Ltd.	0.00%	-	0.01%	100
Popular Life Insurance Co. Ltd.	0.00%	-	0.17%	1,657
Sonali Investment Limited	0.00%	-	0.10%	1,000
	2.06%	24,562	5.63%	55,973
D. Individuals (Bangladeshi)	27.10%	323,307	22.97%	228,365
	100.00%	1,192,800	100.00%	994,000

11.03 Classification of shares by holding

Slab by number of shares	No. of Shareholders	No. of Shares	Holding (%)
Less than 500	3,224	174,789	14.65%
From 501 to 5,000	130	157,090	13.17%
From 5,001 to 10,000	3	26,266	2.20%
From 10,001 to 20,000	2	23,723	1.99%
From 20,001 to 50,000	1	23,127	1.94%
Above 100,000	2	787,805	66.05%
	3,362	1,192,800	100%

11.04 There is no sponsor shareholder in the Company but as the representative of government, Bangladesh Petroleum Corporation (BPC) holds 51% shares of the Company.



	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
12.00 Depreciation Fund Reserve			
Opening Balance		1,753	929
Net Surplus for the year transfer from Statement of profit or loss and Other Comprehensive Income	12.01	98	824
		1,851	1,753
12.01 Surplus from investment			
Excess of Income over Expenditure		128	1,119
Beneficiaries Profit Participation Fund @5%		(6)	(56)
		122	1,063
Provision for taxation @ 20.00%		(24)	(239)
		98	824

13.00 Deferred Tax Liability

Deferred tax liability has been calculated below at the applicable tax rate(s) on the Available -for- Sale of Financial Assets and the difference between the carrying value of Property, Plant and Equipment as per financial statements and tax written down value.

	Taka in '000	
	30 June 2022	30 June 2021
Opening Balance	832	956
Add/(Less): Provision / Adjustment Made During the Year	(69)	(124)
Closing Balance	763	832

Reconciliation of Deferred Tax Liabilities / (Assets) are As Follows:

Particulars	Carrying Amount	Tax Base	Tax Rate	Taxable/ (Deductible) Temporary Difference
As at 30 June 2022				
Property, Plant and Equipment	8,473	3,825	20.00%	930
Available - for- Sale Financial Assets	1,602	3,269	10.00%	(167)
Net Taxable Temporary Difference				763



	Note(s)	Taka in '000	
		30 June 2022	30 June 2021
14.00 Advance against sales			
From Dealers of Battery		993	1,537
		<u>993</u>	<u>1,537</u>
15.00 Creditors and Accruals			
Creditors For Goods	15.01	75,206	94,915
Creditors For Expenses	15.02	92	86
Creditors for Other Finance	15.03	115,632	123,259
		<u>190,930</u>	<u>218,260</u>
15.01 Creditors for Goods			
Bangladesh Petroleum Corporation		46,352	86,304
Padma Oil Company Limited		28,854	8,611
		<u>75,206</u>	<u>94,915</u>
15.02 Creditors for Expenses			
Audit Fees		92	86
		<u>92</u>	<u>86</u>
15.03 Creditors for Other Finance			
Payable to Padma Oil Company Limited on account of VAT paid by them		112,571	120,048
Earnest Money Deposit		395	395
Security Money from Dealers of Battery		1,700	1,800
Others		966	1,016
		<u>115,632</u>	<u>123,259</u>
16.00 Revolving Fund			
Bangladesh Petroleum Corporation (BPC)		5,000	5,000
Meghna Petroleum Limited (MPL)		2,000	2,000
Jamuna Oil Company Limited (JOCL)		107	107
Padma Oil Company Limited (POCL)		5,000	5,000
		<u>12,107</u>	<u>12,107</u>
Revolving Fund represents security money received from BPC, MPL, JOCL and POCL which can be utilized in future against non payment of bills.			
17.00 Unclaimed Dividend Accounts			
Unclaimed Dividend Cash		1,350	2,368
Fractional Dividend - Stock		54	-
Interest There on		15	-
		<u>1,419</u>	<u>2,368</u>
17.01 Unclaimed Dividend			
Opening Balance		2,368	2,305
Add: Cash Dividend		13,916	2,982
		<u>16,284</u>	<u>5,287</u>
Less: Transferred to General Reserve		-	-
Less: Paid During the Year		(14,934)	(2,919)
Closing Balance		<u>1,350</u>	<u>2,368</u>

The Company has transferred an amount of Tk. 362,724.00 to Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) at 27/07/2022 as per notification no- BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June, 2021 to fulfil it's requirement to transfer the unclaimed dividend of remain unpaid for three (3) years or more as at 27/07/2022.



Dividend Outstanding for the years

2006-2007 to 2010-2011
2011-2012
2012-2013
2013-2014
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021

Note(s)	Taka in '000	
	30 June 2022	30 June 2021
-	-	-
-	-	29
-	-	80
-	-	322
-	-	97
-	-	275
-	-	471
363	363	363
656	656	656
75	75	75
256	-	-
	1,350	2,368

18.00 Provision for Income Tax

Opening Balance
Add: Provided during the year
Against current year
Against previous years
Less: Paid / Adjusted During the Year
Closing Balance

Note(s)	Taka in '000	
	30 June 2022	30 June 2021
15,072	2,006	
3,003	15,072	
-	-	
3,003	15,072	
9.01.01 (15,072)	(2,006)	
3,003	15,072	

Reconciliation of effective tax rate

Profit before tax
Total income tax expense

30 June 2022		30 June 2021	
Rate	Taka'000	Rate	Taka'000
	15,013		66,810
20.00%	3,003	22.56%	15,072

Factors affecting the tax charge:

Tax using the applicable rate	20.00%	3,003	22.50%	15,033
Difference between accounting and fiscal depreciation	-0.12%	(18)	0.08%	47
Inadmissible expenses	0.47%	70	0.15%	98
Unrealized loss on market value of financial assets	-0.35%	(52)	-0.16%	(106)
	20.00%	3,003	22.56%	15,072

19.00 Workers' Profit Participation and Welfare Fund

Opening Balance
Add: Provision during the year
Less: Paid /Adjusted during the year
Closing Balance

Taka in '000	
30 June 2022	30 June 2021
3,516	384
751	3,516
4,267	3,900
(3,516)	(384)
751	3,516

20.00 Revenue (gross)

Blending Charges Recovery
Sale of Battery
Sales of Base Oil *
Sale of Bitumen

Note(s)	Taka in '000	
	1 July 2021 to 30 June 2022	1 July 2020 to 30 June 2021
20.01 4,460	3,507	
1,725	1,711	
64,835	333,217	
50,390	83,920	
	121,410	422,355

*With the permission of Bangladesh Petroleum Corporation(BPC) Base oil were purchased from Standard Asiatic Oil Company Limited (SAOCL) and were blended in SAOCL installation. Blended products were subsequently sold to POCL, JOCL and MPL.



	1 July 2021 to 30 June 2022		1 July 2020 to 30 June 2021	
	Quantity in MT	Taka in '000	Quantity in MT	Taka in '000
20.01 Blending Charges Recovery				
A) Lubricating Oil				
HVI Industrial Grade	181	1,322	350	1,180
Automotive Oil SF/cc(Min) High Additive	9	31	130	438
Automotive Oil SC/cc(Min)	149	1,087	314	1,060
Gear Oil GL-4	126	921	8	26
Automotive Oil SC/CC (5 Ltr. Can)	19	136	126	425
Automotive Oil SF/CC(Min) (5 Ltr. can)	43	314	10	34
Automotive Gear Oil GL-4 (5 Ltr. Can)	4	30	67	225
Automotive Gear Oil GL-5 (1Ltr.P/B Btl)	25	182	4	14
Automotive Gear Oil GL-4 (1 Ltr. P/B. Btl.)	6	41	5	16
Automotive Oil SC/CC(Min) (1 ltr. can)	-	-	1	5
	562	4,064	1,015	3,424
B) Grease				
Padma Wrog Compound (ABCDH)	14	68	17	83
Margin from KB Petrochemicals Ltd.	-	329	-	-
Total Blending charges Recovery (A+B)	576	4,461	1,032	3,507

20.02 Operating Segment

The Company has several reportable segments, as described below, which are the company's strategic business. The following summary describes the operations in each of the company's reportable segments:

- Lubricating Oil** :Includes the company's blending charges recovered pertinent to lubricating oil blending.
- Grease** :Includes the company's blending charges recovered pertinent to Grease blending.
- Battery** :Includes the company's income from trading Yuasa Branded Battery.
- Base Oil** :Includes the company's income from trading Base Oil.
- Bitumen** :Includes the company's income from trading Bitumen Oil.

Performances are measured based on segment profit before tax, that are reviewed by the company's management committee. Information regarding the result of each reportable segment is included in note 20.02.01



20.02.01 Information about reportable Segments:

	Taka in '000					Total
	Base Oil	Lubricating Oil	Grease	Battery	Bitumen	
Revenue	64,835	4,392	68	1,725	50,390	121,410
Direct Cost	(49,958)	(10,377)	(237)	(1,722)	(49,465)	(111,759)
Gross Profit/(Loss)	14,877	(5,985)	(169)	3	925	9,651
General & Administrative expenses	-	(13,340)	-	-	-	(13,340)
Reportable Segment Profit/(Loss) Before Tax	14,877	(19,325)	(169)	3	925	(3,689)

20.02.02 Reconciliation of Reportable Segment Profit Before Tax

	Note(s)	Taka in '000	
		1 July 2021 to 30 June 2022	1 July 2020 to 30 June 2021
Reportable Segment Profit/(Loss) Before Tax		(3,689)	48,976
Amount not related to reportable segments	20.02.03	17,951	17,834
Profit before tax		14,262	66,810

20.02.03 Amount Not Related to Reportable Segments

Non-Operating Income	23.00	18,440	20,925
Unrealized Gain/ (Loss) on Investment in Quoted Shares	6.00	262	425
Contribution to Worker Profit Participant and Welfare Fund	19.00	(751)	(3,516)
		17,951	17,834

21.00 Direct Expenses

Blending Expenses	21.01	10,614	5,753
Cost of Battery Sold		1,722	1,618
Cost of Bitumen sold		49,465	83,503
Cost of Base Oil Sold		49,958	269,675
		111,759	360,549

21.01 Blending Expenses

A) Fixed Blending Overhead :

	Note(s)	Taka in '000	
		1 July 2021 to 30 June 2022	1 July 2020 to 30 June 2021
Depreciation	4.00	340	362
Insurance		135	135
Printing, Postage and Stationery		111	74
Telegrams/Telex and Telephone		175	25
Travelling and Conveyance		452	148
Advertisement		527	358
Rates and Taxes		23	23
Entertainment		236	92
Rent		354	354
		2,353	1,571

B) Variable Blending Overhead:

Fuel and Power		936	546
Contract Labour		1,840	1,691
Stores and Spares		184	154
Repairs and Maintenance		868	72
Financial Charge		2,424	-
Sundries		2,009	1,720
		8,261	4,182

Total Blending Cost (A+B)

		10,614	5,753
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		Taka in ' 000	
		1 July 2021 to 30 June 2022	1 July 2020 to 30 June 2021
22.00	Administrative and General Expenses		
	A) Administrative Cost:		
	Salary and Wages*	3,324	4,723
	House Rent Allowance	1,628	1,499
	Bonus	2,076	486
	Pension and Gratuity	343	1,035
	Medical Expenses	815	886
	Overtime	463	264
	Provident Fund	275	258
	Canteen Subsidy/ Lunch Assistance	181	190
	Leave Encashment	139	20
	Management Employees Car Expenses	1,173	853
	Uniform and Laundry Expense	31	16
	Employee Income Tax	86	165
	Leave Fare Assistance	179	123
	Group Insurance	211	257
		10,924	10,775
	*Employees' income taxes are borne by the company as per agreement with them.		
	B) General Cost		
	Service Fee	700	700
	Directors Fee and Expenses	687	418
	Audit Fees 25.00	92	60
	Listing Fee	91	91
	AGM Expenses	846	786
		2,416	2,055
	Total Cost (A+B)	13,340	12,830
22.01	Directors are paid fees for attending Board Meetings.		
22.02	Directors are provided with accommodation and travelling expenses for attending meetings.		
22.03	During the year under review 8 (Eight) Board Meetings were held.		
23.00	Non-Operating Income		
	Interest on FDR	17,833	20,240
	Interest on Saving Accounts	388	603
	Storage Charges Recovered	95	57
	Others	124	25
		18,440	20,925
24.00	Foreign Exchange Gain or Loss		
	The Company does not have any foreign currency account. Furthermore during the year the Company had not imported any base oil for which no foreign exchange gain or loss has been recognised during the year.		
25.00	Auditors Remuneration	92	60
	Audit Fees	92	60
	Audit Fees represent auditors remuneration which is fixed up by the Shareholders in the Annual General Meeting.		
26.00	Remuneration of Executives and others		
	Salary and Bonus	1,354	1,177
	House Rent	812	706
	Provident Fund	136	85
		2,302	1,968
26.01	Executives and Officers are paid house rent allowance in cash.		
26.02	The Executives and Officers are provided with free medical facilities according to company rules.		
26.03	The Executives and Officers are covered under the group insurance scheme.		



27.00 Employees

Number of employees whose salary is below Tk. 3,000 per month
Number of employees whose salary is above Tk. 3,000 per month

Number of Employees	
30 June 2022	30 June 2021
-	-
4	4
4	4
Taka in ' 000	
01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021

28.00 Reconciliation of Net Income With Cash Flows from operations

Profit before income tax	14,262	66,810
Depreciation charged	340	362
Unrealized Gain/ (Loss) on Investment in Quoted Shares	(262)	(425)
(Increase)/Decrease in Inventory	73,140	(42,923)
(Increase)/Decrease in Account Receivables	962	9,275
Increase/(Decrease) in Advance Against Sales	(544)	485
(Increase)/Decrease in Advances, Deposits and Pre-payments	6,111	(109)
Increase/(Decrease) in Creditors and Accruals	(27,330)	4,311
Increase/(Decrease) in Provision of WPPF and WF	(2,765)	3,132
Advance Income Tax Paid	(4,632)	(10,196)
Cash Generated from Operations	59,282	30,722

29.00 Basic Earnings Per Share (EPS)

Profit Attributable to the Ordinary Shareholders	11,328	51,863
Number of Ordinary Shares at the Year End	1,192.80	994.00
Basic Earnings Per Share (EPS) in Taka	9.50	52.18
Restated Earnings Per Share (EPS) in Taka*		43.48

*EPS for the year 01 July 2020 to 30 June 2021 has been restated based on the new weighted average no of ordinary shares in accordance with para 64 of IAS 33.

Significant Deviation in Earnings Per Share

Earnings per share decreased significantly due to lower volume of sales and blending income during the year. Beside this the company has no base oil import during the year 2021-22.

30.00 Net Asset Value Per Share

Taka in ' 000		
30 June 2022	30 June 2021	
Net Asset Value (NAV)	223,673	226,261
Number of Ordinary Shares at the Year End	1,193	994
Net Asset Value Per Share in Taka	187.52	227.63
Restated Net Asset Value Per Share		189.69

31.00 Net Operating Cash flow Per Share

Taka in ' 000		
01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021	
Cash Inflow/(Outflow) from Operating Activities	59,282	30,722
Number of Ordinary Shares at the Year End	1,192.80	994
Operating Cash Flow Per Share in Taka	49.70	30.91

Significant deviation in Net Operating Cash Flow per Share

In this reporting period the collection from customers is sharply decreased by TK 196,906 on the hand payment to the supplier TK 219,705 is also decreased as compared to the corresponding period has resulted in significant increase in net operating cash flows per share during the period from 01.07.2021 to 30.06.2022 in comparison with previous period from 01.07.2020 to 30.06.2021.



32.00 Directors Fee and Attendance Status of Board Meeting

During the year ended 30 June 2022, there were 8 (Eight) Board meetings held. Directors fee and attendance status of all the meetings are as follows:

Sl.	Name of the Directors	Meeting Held	Attendance	Amount in Taka	
				Fee Per Meeting	Total Amount
01	Mr. A. B. M Azad ndc	8	8	5,600	44,800
02	Mr. Shamsuddoha	8	2	5,600	11,200
03	Mr. Syed Mehedi Hasan	8	4	5,600	22,400
04	Mr. Khalid Ahmed	8	6	5,600	33,600
05	Mr. Anupan Barua	8	1	5,600	5,600
06	Mr. Md. Lal Hossain	8	8	5,600	44,800
07	Mr. Advocate Munshi Golam Mostafa	8	8	5,600	44,800
08	Mr. Md. Quamrul Hasan	8	8	5,600	44,800
09	Mr. Kazi Nazimul Islam	8	8	5,600	44,800
10	Engr. Md. Akterul Haque	8	4	5,600	22,400
11	Engr. Md. Rashed Kawsar	8	4	5,600	22,400
Total					341,600

33.00 Event After the Reporting Period

(i) The Board of Directors in their meeting held on 07 November 2022 recommended 40% cash dividend amounting Taka 4,771,200 and 10% stock dividend amounting Taka 1,192,800 for the year ended 30 June 2022. (2021: 140% cash dividend amounting Taka 13,916,000 and 20% stock dividend amounting Taka 1,988,000)

(ii) No material events had occurred from the Financial Position date to the date of issue of these Financial Statements which could affect the values stated in the statement of Financial Position

34.00 Contingent Liabilities And Commitments

(i) Contingencies

The company did not have any contingent liabilities at the Financial Position date.

(ii) Commitments

(a) Capital Expenditure

Authorized but not contracted -	Nil
Contracted but not executed -	Nil

35.00 Related Party Transactions

During the period the company carried out a number of transactions with related parties in the normal course of the business. Name of those related parties and nature of those transactions have been set out in accordance with the provision of "IAS-24: Related party Disclosures":

Name of the Party	Relation	Nature of Transactions	Taka in '000	
			Outstanding as on 30 June 2022	Outstanding as on 30 June 2021
Bangladesh Petroleum Corporation	Parent Company	Service Fee	4,63,52 Cr.	86,305 Cr.
Bangladesh Petroleum Corporation	Parent Company	Multiple Business	64,95 Dr.	7,463 Dr.
Padma Oil Company Limited	Sister Concern	Current Account	2,88,54 Cr.	8,611 Cr.
Meghna Petroleum Limited	Sister Concern	Sales	10,43 Dr.	3,360 Dr.
Jamuna Oil Company Limited	Sister Concern	Sales	1,433 Dr.	1,433 Dr.



Quantity in Metric Ton	
30 June 2022	30 June 2021
15,000	15,000
576	1,032
<u>3.84%</u>	<u>6.88%</u>

36.00 Capacity Utilization

Lubricant Oil and Grease Blending Capacity (Single Shift)
Actual Lubricant Oil and Grease Blended (Note 20)
Percentage of Utilized Capacity

37.00 General

- (i) Figures have been rounded off to the nearest thousand Taka. Previous years' figures were re-arranged where necessary to conform to current year's presentation.
- (ii) No money was spent by the Company for compensating any members of the Board for special services rendered except as stated above.
- (iii) There was no credit facilities available to the Company under any contract, other than trade credit available in the ordinary course of business.
- (iv) No payment was made during the year in foreign currency on account of royalty, Technical-Know-How, Professional consultation fees, interest & other matters.



Company Secretary



Managing Director & CEO

Director Director

