

PADMA OIL COMPANY LIMITED
AUDITORS' REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2022

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Hussain Farhad & Co.
Chartered Accountants

INDEPENDENT AUDITORS' REPORT
To the shareholders of
PADMA OIL COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Padma Oil Company Limited** ("the Company") which comprise the statement of financial position as at 30 June 2022, 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 notes to the financial statements including 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, 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standard 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 is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention following matters of the financial statements;

- (i) We draw attention to Note: 22 "Unclaimed Dividend" of the financial statements, which describes that the Company has transferred an amount of Tk. 124,956,044.90 on 27 September 2021 to Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) as per notification no- BSEC/CMRRCD/2021-391/20/Admin/121 dated 14 January 2021 to fulfil its requirement to transfer the unclaimed dividend remained unpaid for three (3) years or more. The company has not yet transferred unclaimed dividend Tk 16,071,179 for the year ended 30 June 2018 which has remained unpaid more than three (3) years to comply aforesaid BSEC notification. The Company yet to formulate dividend distribution policy which is required to be disclosed in its annual report and official website. The Company formed a committee on 02 October 2022 to finalize the dividend distribution policy.
- (ii) We further draw attention to Note: 19 "Supplies and expenses payable" to the financial statements relating to duty, rate and taxes which includes Tk. 350,695.56 as lease rent for the year from 1981 to 1991 against 1.19 acres of land with Military Estate Officer (MOE). Lease agreement with MOE had already been expired in the year 2010 and yet to be renewed. Moreover, no provision regarding lease rent for the year 2011 to 2022 was recognized in the FSs under the report.

Our opinion is not modified in respect of these matters.



Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2022. These matters, and any comments we make on the results of our procedures thereon, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition - sale of goods	
Refer to note 25 and 3.09	
The key audit matter	How the matter was addressed in our audit
Revenue recognition has significant and wide influence on financial statements.	Our audit procedures in this area included, among others:
Revenue is recognised 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. The sales of the Company are derived from factories and various depots located across the country with relatively transactions of small amounts. As a result, to obtain sufficient audit evidence, magnitude of audit work and resource are required.	<p>- We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through cash receipts and customers' outstanding balances.</p> <p>- We tested the completeness of journal entries compared to financial statements and whether if there is any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers.</p>
We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.	- We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and challans. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.
We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company's customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.	- Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns (if any) recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods.

Valuation of Property, plant and equipment	
Refer to note 4 and 3.01	
The key audit matter	How the matter was addressed in our audit
<p>The company has large amount and numbers of property, plant and equipment items. Due to technological and time obsolescence the impairment may exists.</p> <p>Management has concluded that there is no impairment in respect all assets. This conclusion required significant management judgment. Hence we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Assessing the consistency of methodologies used for depreciating the assets; - Checking, on a sample basis , the accuracy and relevance of the accounting of PPE by management; and - For selected samples, performing physical verification of assets to confirm existence; - Checked disposal of assets whether those assets have been deleted from asset register.

Recognition and measurement of deferred taxes	
Refer to note 16.00 and 3.08	
The key audit matter	How the matter was addressed in our audit
<p>The Company recognizes deferred taxes relating to property, plant and equipment, provision for bad debts which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgement in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p> <p>As such accounting for deferred taxes involves management judgement in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Assessed the design, implementation and operating effectiveness of key controls in respect of the Company's process of recognition of deferred taxes; - Using our own tax specialists to evaluate the tax bases and Company's tax strategy. - Assessed the accuracy and completeness of deferred tax; and - Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgements and sensitivities.

Reporting on other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The draft annual report is expected to be made available to us after the date of this auditor's report but before finalization of the annual report.

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

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

When we read the annual report before finalization, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

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, 2020 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 the 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 audit. We remain solely responsible for our audit opinion.

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 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 2020, we also report the following:

- 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;
- 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;
- 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
- the expenditure incurred was for the purposes of the Company's business.

Firm Name : **Khan Wahab Shafique Rahman & Co.**
Chartered Accountants
Registration No. : 
Signature of the auditor : 
Name of the auditor : **Mohammad Shaheed FCA, Partner (1016)**
DVC No. : **2211091016AS748426**
Place : **Chattogram**
Date : **09 November, 2022**

Hussain Farhad & Co.
Chartered Accountants
4/452/ICAB-84


Sarwar Uddin
Sarwar Uddin FCA, Partner (0779)
2211090779AS347749
Chattogram
09 November, 2022




Padma Oil Company Limited
Statement of Financial Position
As at 30 June 2022


		Taka in '000	
	Note(s)	30 June 2022	30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,617,244	1,739,546
Capital work-in-progress	5	1,122,845	659,834
Investment - Depreciation Fund (FDR)	6	1,775,221	1,614,304
Investment - Long Term (FDR)	7	5,982,201	1,601,330
		10,497,511	5,615,014
Current assets			
Investment - Short Term (FDR)	8	5,667,946	-
Inventories	9	14,734,203	15,798,618
Accounts receivable	10	18,732,114	16,982,883
Due from affiliated companies	11	20,988,149	16,423,864
Advances, deposits and pre-payments	12	2,505,390	209,251
Cash and cash equivalents	13	38,967,515	39,065,100
		101,595,317	88,479,716
TOTAL ASSETS		112,092,828	94,094,730
Shareholders' equity			
Share capital	14	982,327	982,327
Depreciation Fund Reserve (Accumulated Surplus)	15	269,896	187,669
Retained earnings		16,467,151	15,373,490
Total equity		17,719,374	16,543,486
LIABILITIES			
Non-current liabilities:			
Deferred tax liabilities	16	128,729	187,245
Long Term Loan	17	183,463	183,463
		312,192	370,708
Current liabilities			
Accounts payable	18	11,017,956	15,079,389
Supplies and expenses payable	19	3,377,936	3,761,525
Due to affiliated companies	20	75,115,370	53,609,075
Other liabilities	21	4,284,863	4,225,918
Unclaimed dividend	22	63,014	178,708
Income tax payable	23	202,122	325,921
		94,061,261	77,180,536
Total Liabilities		94,373,453	77,551,244
TOTAL EQUITY AND LIABILITIES		112,092,828	94,094,730
Net Asset Value (NAV) per share	41	Tk. 180.38	Tk. 168.41

The annexed notes from 1 to 49 form an integral part of these financial statements.



Company Secretary

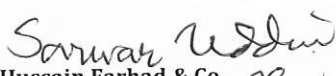

CEO & Managing Director


Independent Director


Director

As per our annexed report of same date.


Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Chattogram, 09 November, 2022
DVC: 2211091016 AS 748426


Hussain Farhad & Co.
Chartered Accountants
Chattogram, 09 November, 2022
DVC: 2211090779 AS 347749

Taka in '000

	Note(s)	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Gross earnings on Petroleum Products	25	2,343,909	2,161,231
Direct cost on Petroleum Products:			
Packing Charges	25.01	(21,819)	(23,329)
Handling Charges	25.01	(7,623)	(4,398)
		2,314,467	2,133,504
Net Operational (Loss)/Gain	31.01	(132,574)	3,977
Net earnings on petroleum products		2,181,892	2,137,481
Operating expenses:			
Administrative, selling and distribution expenses	26	(2,166,968)	(1,903,946)
Financial expenses	27	(249,685)	(245,605)
Operating Profit on Petroleum		(234,760)	(12,070)
Other Operating Income	28	789,530	452,433
Operating (loss)/profit on Agro-chemical trading	29	(28,398)	(29,388)
Total Operating Profit		526,372	410,975
Non-operating Income	30	2,616,070	2,669,347
Profit before WPPF and income tax		3,142,441	3,080,322
Contribution to Workers' Profits Participation and Welfare Fund		(157,122)	(154,016)
Net Profit before income tax		2,985,319	2,926,306
Provision for Income tax:			
Current tax	23	(640,038)	(665,964)
Deferred tax	16	58,516	25,683
		(581,522)	(640,281)
Net Profit after tax		2,403,797	2,286,025
Surplus from Investment transfer to Depreciation Fund Reserve	15.01	(82,227)	(86,069)
Other comprehensive income		-	-
Total comprehensive income for the year		2,321,570	2,199,956
Earnings per share (EPS - basic)	32	Tk. 24.47	Tk. 23.27

The annexed notes from 1 to 49 form an integral part of these financial statements.

Director

As per our annexed report of same date.

Chartered Accountants

Chattogram, 09 November 2022
DVC: 2211090779AS347749


Padma Oil Company Limited
Statement of Changes in Equity
For the year ended 30 June 2022


				Taka '000
	Share Capital	Retained Earnings	Depreciation Fund Reserve	Total equity
Balance as on 01 July 2020	982,327	14,401,443	101,600	15,485,370
Cash dividend declared for the year 2019-2020	-	(1,227,909)	-	(1,227,909)
Transferred from Depreciation Fund	-	-	86,069	86,069
Total comprehensive income for the year	-	2,199,956	-	2,199,956
Balance as at 30 June 2021	982,327	15,373,490	187,669	16,543,486
Balance as on 01 July 2021	982,327	15,373,490	187,669	16,543,486
Cash dividend declared for the year 2020-2021	-	(1,227,909)	-	(1,227,909)
Transferred from Depreciation Fund	-	-	82,227	82,227
Total comprehensive income for the year	-	2,321,570	-	2,321,570
Balance as at 30 June 2022	982,327	16,467,151	269,896	17,719,374

The annexed notes from 1 to 49 form an integral part of these financial statements.


Company Secretary


CEO & Managing Director


Independent Director


Director




Padma Oil Company Limited
Statement of Cash Flows
For the year ended 30 June 2022

	Taka in '000	
	30 June 2022	30 June 2021
A. Cash Flows from Operating Activities:		
Receipts from customers and others	221,671,475	157,097,232
Paid to suppliers against petroleum and agro products and others	(211,852,052)	(156,444,002)
Receipts against other income	835,769	494,289
Interest and bank charges paid	(249,685)	(245,605)
Income tax paid	(763,837)	(633,656)
Net cash (used from)/generated by Operating Activities	9,641,670	268,258
B. Cash Flows from Investing Activities:		
Capital Expenditures	(561,913)	(292,783)
Investment -FDRs	(10,209,734)	(1,835,749)
Interest received from FDR/SND	2,373,995	2,710,588
Proceeds from disposal of property, plant and equipment	2,000	2,662
Net cash (used from)/generated by Investing Activities	(8,395,652)	584,717
C. Cash Flows from Financing Activities:		
Dividend paid	(1,343,603)	(1,217,037)
Net cash (used from)/generated by Financing Activities	(1,343,603)	(1,217,037)
Total (A + B + C)	(97,585)	(364,062)
Opening cash and cash equivalents	39,065,100	39,429,162
Closing cash and cash equivalents	38,967,515	39,065,100
Operating Cash (Outflow)/Inflow per share (note - 41)	Tk. 98.15	Tk. 2.73

The annexed notes from 1 to 49 form an integral part of these financial statements.


Company Secretary


CEO & Managing Director


Independent Director


Director



Padma Oil Company Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2022

1.00 REPORTING ENTITY

1.01 Legal Form of the entity

Padma Oil Company Limited (The 'company') was incorporated as a Public Limited Company on 27 April 1965 under the name and style of Burmah Eastern Limited having its registered office at Chattogram. In 1977, Burmah Eastern Limited became a subsidiary of Bangladesh Petroleum Corporation (BPC). The name of the company was changed to Padma Oil Company Limited (POCL) with effect from 3rd September 1988 and its shares are listed with both the Chittagong Stock Exchange (CSE) Limited and Dhaka Stock Exchange (DSE) Limited.

The company has set up its factory at Guptakhal, Chattogram and commenced commercial production from 1 April 2008. The registered office of the company is situated at Padma Bhaban, Strand Road, Sadarghat, Chattogram, Bangladesh.

1.02 Nature of the business

The principal activities of the Company are procurement, storage and marketing of Petroleum products, Lubricants, Greases, Bitumen and LPG.

In addition, the Company manufactures Agro Chemicals products (Furadan) in its Granular Pesticides Formulation plant and markets Furadan together with certain other imported Agro-Chemicals products.

2.00 BASIS OF PREPARATION, PRESENTATION & DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of compliance

The financial statements have been prepared in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh as per requirements under the Financial Reporting Act 2015. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 2020.

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) A statement of financial position as at 30 June 2022
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2022
- c) A statement of changes in equity for the year ended 30 June 2022
- d) A 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:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax and Supplementary Duty Act, 2012
- iv) The Value Added Tax and Supplementary Duty Rules, 2016
- v) The Customs Act 1969
- vi) Bangladesh Labour Law 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 2020
- ix) Securities and Exchange Commission Act, 1993, etc.

2.04 Basis of measurement

The elements of Financial Statements have been measured on "Historical Cost" convention in a going concern concept and on accrual basis.



2.05 Going concern

The company has adequate resources and intention to continue its operation as going concern for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements.

The current revenue generations and resources of the company provide sufficient fund to meet the present requirements of its existing business and operation.

2.06 Comparative Information

Comparative information has been disclosed in respect of the preceding year in accordance with IAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and scriptive information where it is relevant for understanding of the current year's Financial Statements. Prior year's figures are rearranged wherever considered necessary to ensure comparability with the current year.

2.07 Functional and presentation currency

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

2.08 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and 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.

2.09 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- a. Expected to be realized or intended to sold or consumed in the normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period and
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The company classifies all other assets as non-current.

A liability is current when:

- a. It is expected to be settled in the normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period and
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

2.10 Use of estimates and judgments

The preparation of the financial statements in conformity with IAS and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements, Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects 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: Accounts receivable
- Note 19: Other liabilities
- Note 21: Income tax payable/(receivable)
- Note 14: Deferred tax liabilities
- Note 37: Contingent liabilities

Measurement of fair values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.11 Reporting period

These financial statements of the company cover one year from 01 July to 30 June and is followed consistently.

2.12 Authorization for issue

These financial statements for the year ended 30 June 2022 have been authorized for issue by the Board of Directors on 08 November 2022

3.00 Significant accounting policies

The specific accounting policies selected and applied by the company's management 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, except otherwise stated.

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.

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

- 3.01 Property, plant and equipment
- 3.02 Financial instruments
- 3.03 Inventories
- 3.04 Impairment
- 3.05 Employee benefits
- 3.06 Earnings per Share (EPS)
- 3.07 Provisions, Contingent Liabilities and Contingent Assets
- 3.08 Taxation
- 3.09 Revenue
- 3.10 Other income
- 3.11 Events after the reporting period
- 3.12 Leases
- 3.13 Segment Reporting

3.01 Property, plant and equipment

3.01.01 Recognition and measurement

All Property, Plant & Equipments except Freehold Land are initially accounted for at cost and depreciated over their expected useful lives in accordance with IAS 16 "Property, Plant and Equipment".

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self constructed /installed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.



On retirement or otherwise disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated, and any gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income which is determined with reference to the net book value of the assets and the net sale proceeds.

3.01.02 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in Statements of profit or loss and other comprehensive income as incurred.

3.01.03 Depreciation

No depreciation is charged on freehold land and on capital work in progress. Depreciation is recognized in the statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment. Depreciation is charged from the month of addition when the asset is ready for use and no depreciation is charged from the following month of deletion. The principal annual rates are as follows:

<u>Asset Category</u>	<u>Rates of depreciation (%)</u>
Leasehold Land	3.5
Building	2.5-10
Plant and Machinery	7.5-10
Vehicle	20
Furniture and Fixture	5
Others facilities	7.5-25

3.01.04 Capital Work-In-Progress

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

3.01.05 Depreciation fund

i) Padma Oil Company Limited Depreciation Fund was formed on 28th Day of November 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. 453 held on 03 September 2019.

ii) The objective of the fund is to accumulate the depreciation charged to the assets of the company in each financial year and use the fund for replacement of depreciated Asset(s) / Procurement / acquisition of new Asset(s) / new plant / new business and keep the fund in the Bank or in Government Securities.

iii) Five (5) percent of income of the fund will be distributed among the Employees & Workers who are in active service of the company.

iv) Income are not distributable to the shareholders of Padma Oil Company Limited.

Consolidation of the Financial Statements of Padma Oil Company Limited Depreciation Fund has been made with the Padma Oil Company Limited, Chattogram as per resolution the Board of Directors in their the meeting no. 457 held on 28 November 2019.

3.02 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.

(i) Non-derivative financial assets

The company initially recognizes accounts and other receivables on the date that they are originated. Financial assets include accounts and other receivables, advances, deposits and prepayments, investment in FDR and cash and cash equivalents.

Accounts and other receivables

Accounts and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, accounts and other receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Deposits

At initial recognition, the Company measures security deposits at its fair value plus or minus transaction costs that are directly attributable to the acquisition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

(ii) Non-derivative financial liabilities

Liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the company becomes a party to the contractual provisions of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities includes liabilities and accounts and other payables.

Accounts and other payables

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 entity of resources embodying economic benefits.

Other liabilities

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognized at cost which is the fair value. After initial recognition these are carried at amortized cost.

3.03 Inventories

Major and minor petroleum products of BPC excluding Lubes and Greases are valued at net realizable value. Lubes, Greases and Agro-chemical products are valued at lower of cost or net realizable value. Stocks of stores and spares are valued at weighted average cost. Statutory charges (like Custom-duty or VAT) and freight attributable to Stock-in-trade are carried forward and added to the value of the stocks. However, cost comprises procurement cost and attributable overheads to bring the goods to their respective state at which they were on the reporting date.

3.04 Impairment

Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as fair value through profit or loss, loans, receivables and investment in an equity accounted investee 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.

Non Financial Assets

The carrying amounts of the group'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.

3.05 Employee benefits

Employee benefits are all forms of consideration given by the entity in exchange for service rendered by an employee.

3.05.01 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.05.02 Post employment benefits

Post-employment benefits are employee benefits which are payable after the completion of employment. The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

Defined contribution plan

The company has two contributory provident funds for its junior and senior executives which were recognized on 30 June 1967 under the applicable Income Tax laws and regulations. Contribution to the fund is made equally by employee and employer @ 10% of basic pay for eligible permanent employees. The said funds are managed by duly constituted four member Board of Trustees. Assets of provident fund are held in a separate Trustee Funds as per the relevant rules and is funded by payments from employees and by the company. The company's contributions to the provident funds are charged as revenue expenditure in the period to which the contributions relate.

Defined benefit plan

The company maintains a funded gratuity/pension scheme. Contribution to gratuity/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.

Workers' Profit Participation Fund

The company also account for provision of Workers' Profit Participation and Welfare funds (WPP & WF) @ 5% of its profit before charging such expenses as per Labour Act 2006.

3.06 Earnings per Share (EPS)

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard IAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

3.06.01 Basis of Earnings

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

3.06.02 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.06.03 Diluted Earning Per Share

No diluted Earnings per share was required to be calculated for the year under review as there is no scope for dilution of Earnings Per Share for the year.

3.07 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the Statement of Financial Position when the group 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 in the financial statements.

3.08 Taxation

Current tax:

Income tax expense is recognized in statement of profit or loss and other comprehensive income. Current tax is the expected tax payable on the total income for the year using tax rates enacted or substantially enacted as of reporting date and any adjustment to tax payable in respect of previous years. The company qualifies as a publicly traded company; hence the applicable tax rate is 20.00% for the year.



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".

3.09 Revenue

In compliance with the requirements of IFRS 15 : Commission earnings from sales of petroleum products are measured at fair value of the consideration received or receivable. Commission on petroleum products are determined by Government through official Gazette Notification issued from time to time. Revenue from the sale of agro-chemical products is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

3.10 Other income

Other income - operating

Other income-operating includes land rent, service charges, filling and power station rent, POL products handling, and interest income on delayed payment. Other operating income are recognized as revenue income as and when accrued / realized.

Other income - non-operating

Other income-non-operating includes interest income from SND and FDR, profit on disposal of assets and sale of scrap. Interest from FDR and SND are recognized when accrued while profit on disposal of assets and sale of scrap are recognized as income when realized.

3.11 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.

3.12 Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.



Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

At the derecognition of a lease, the right-of-use asset and associated lease liability are removed from the books of the lessee. The difference between the two amounts is accounted for as a profit or loss at that time.

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.

The company discussed its' Segment wise performance under note- 29.03 to Financial statements.



4.00 Property, plant and equipment - at cost less accumulated depreciation

Taka in '000

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Vehicles	Furniture & Fixtures	Other Facilities	Total
Cost:								
Balance as at 01 July 2020	6,767	670	770,157	2,236,756	300,696	28,799	193,236	3,537,081
Additions during the year (Note-5.01)	-	-	34,539	113,484	-	1,551	20,308	169,882
Disposal during the year	-	-	-	(71)	-	(52)	(7,914)	(8,037)
Balance as at 30 June 2021	6,767	670	804,696	2,350,169	300,696	30,298	205,630	3,698,926
Balance as at 01 July 2021	6,767	670	804,696	2,350,169	300,696	30,298	205,630	3,698,926
Additions during the year (Note-5.01)	-	-	4,042	74,472	-	1,583	18,805	98,902
Disposal during the year	-	-	(10,569)	(1,014)	(132)	(37)	(254)	(12,006)
Balance as at 30 June 2022	6,767	670	798,169	2,423,627	300,564	31,844	224,181	3,785,822
Accumulated Depreciation:								
Balance as at 01 July 2020	-	670	218,552	1,114,755	262,343	13,251	143,468	1,753,039
Charged for the year	-	-	23,733	158,371	15,454	1,168	14,039	212,765
Adjusted during the year	-	-	-	(39)	-	(9)	(6,376)	(6,424)
Balance as at 30 June 2021	-	670	242,285	1,273,087	277,796	14,410	151,131	1,959,380
Balance as at 01 July 2021	-	670	242,285	1,273,087	277,796	14,410	151,131	1,959,380
Charged for the year	-	-	24,437	167,111	10,584	1,216	14,895	218,243
Adjusted during the year	-	-	(7,716)	(1,005)	(132)	(6)	(186)	(9,045)
Balance as at 30 June 2022	-	670	259,006	1,439,193	288,248	15,620	165,840	2,168,578
Carrying Amounts:								
As at 30 June 2021	6,767	-	562,411	1,077,082	22,900	15,888	54,499	1,739,546
As at 30 June 2022	6,767	-	539,163	984,435	12,316	16,224	58,340	1,617,244



01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Note(s)	Taka in '000
26.00	216,338
29.00	1,905
	218,243
	212,766

Depreciation allocated to:

Administrative, Selling and Distribution Expenses
Agro-Chemical



		Taka in '000	
		30 June 2022	30 June 2021
5.00 Capital work in Progress			
Opening Balance		659,834	536,933
Addition during the year	5.01	561,913	292,783
		1,221,747	829,716
Transferred to property, plant and equipment during the year	4.00	(98,902)	(169,882)
Closing Balance		1,122,845	659,834

5.01 Details of Capital Work In Progress (Taka in '000)

Particulars	Openig Balance	Expenditure incurred during the year	Transferred to property, plant and equipment	Closing Balance
Building	495,485	471,628	(4,042)	963,071
Plant & Machinery	157,975	69,566	(74,472)	153,069
Vehicles	1,874	331	-	2,205
Furniture & Fixtures	-	1,583	(1,583)	-
Other Facilities	4,500	18,805	(18,805)	4,500
As at 30 June 2022	659,834	561,913	(98,902)	1,122,845
As at 30 June 2021	536,933	292,783	(169,882)	659,834

		Taka in '000	
		30 June 2022	30 June 2021
6.00 Investment - Depreciation Fund (FDR)			
AB Bank Limited		50,000	-
Agrani Bank Limited		-	395,241
Bangladesh Commerce Bank Limited		52,012	-
BASIC Bank Limited		232,016	294,819
Dhaka Bank Limited		181,350	-
Janata Bank Limited		535,942	262,909
NRB Global Bank Limited		114,228	184,045
Premier Bank limited		216,748	206,220
Rupali Bank Limited		162,120	-
Trust Bank Limited		121,580	-
Union Bank Limited		109,225	271,070
		1,775,221	1,614,304

*Investment- Depreciation Fund (FDR) has been categorized the non-current assets as per management decision because the fund won't be encashed in near future. Tenure of the above FDRs are 3-12 months and interest rate is 6.00%.

7.00 Investment - Long Term (FDR)

Name of banks

Agrani Bank Limited	562,238	-
Bangladesh Krishi Bank Limited	852,878	-
Janata Bank Limited	2,900,102	-
Rupali Bank Limited	1,666,983	-
Sonali Bank Ltd	-	1,601,330
	5,982,201	1,601,330

Tenure is 12 months, Interest Rate is 6.00%

8.00 Investment - Short Term (FDR)

Name of banks

Investment Corporation of Bangladesh	743,695	-
Janata Bank Limited	2,139,721	-
Rajshahi Krishi Unnoyon Bank Ltd.	217,270	-
Rupali Bank Limited	2,567,260	-
	5,667,946	-

Tenure is 6 months, Interest Rate is 6.00%

		Taka in '000	
		Note(s)	
		30 June 2022	30 June 2021
9.00 Inventories			
Stock-In-Trade (Petroleum products)	9.01	14,228,359	15,253,850
Agro-chemical products	9.02	309,965	338,201
Stores	9.03	81,803	70,956
Packing materials		114,076	135,611
		14,734,203	15,798,618
9.01 Stock-In-Trade - Petroleum products			
Major products	31.00	13,622,892	14,557,584
Minor products	31.03	494,101	556,816
Freight		111,366	139,450
		14,228,359	15,253,850
9.02 Agro-chemical products			
Finished products	31.02	307,700	336,048
Raw material		2,023	2,023
In transit		242	130
		309,965	338,201
9.03 Stores			
In stock		81,672	69,921
In transit		131	1,035
		81,803	70,956
10.00 Accounts Receivable			
Accounts receivable - Petroleum products*		17,542,569	16,386,484
Accounts receivable - Agro-chemical products*		60,897	69,873
		17,603,466	16,456,357
Other receivables		1,263,545	661,423
		18,867,011	17,117,780
Provision for bad debts against trade receivable	10.02	(134,897)	(134,897)
		18,732,114	16,982,883
* Accounts Receivable (Petroleum Products) includes outstanding Tk. 14,740,806,565 from Biman Bangladesh Airlines. Which credit facilities were allowed with permission from BPC.			
* Receivable against Agro-chemical trade is secured by Bank Guarantees/ Sanchaya Patra.			
10.01 Ageing of accounts receivables			
Less than 6 months		1,956,341	884,111
6 months or above but less than 12 months		1,821,502	1,415,314
1 year or above but less than 2 years		1,355,674	1,084,861
2 years or above		13,598,597	13,598,597
		18,732,114	16,982,883
10.02 Provision for Bad debts			
Tk. 98,924,000 receivable from Khulna Newspaper Mills against dues and Tk. 35,973,000 receivable from Bangladesh Air Force, Bangladesh Army and Bangladesh Navy relating to the years 1998-1999 and 1999-2000 were accounted for as doubtful debts in 2008 and 2009 respectively.			
11.00 Due from Affiliated Entities / Companies			
Bangladesh Petroleum Corporation (BPC)		19,882,950	15,135,637
Eastern Refinery Limited		12,380	11,241
Eastern Lubricant and Blenders Limited		37,896	16,438
Standard Asiatic Oil Company Ltd		293,577	224,626
Liquified Petroleum Gas Limited		6,286	6,237
Meghna Petroleum Limited		380,486	416,669
Jamuna Oil Company Limited		374,574	613,016
		20,988,149	16,423,864

Detail related party disclosure has been provided under note 35 and ageing of due from affiliated entities/companies are presented under note 44.04.

		Taka in '000	
		30 June 2022	30 June 2021
Note(s)			
12.00 Advances, Deposits and Pre-payments			
Advances	12.01	108,189	114,451
Deposits	12.02	2,374,203	70,431
Prepayments	12.03	22,998	24,369
		2,505,390	209,251
12.01 Advances:			
Advance to employees	12.01.01	72,266	82,938
Advance against expenses	12.01.02	35,923	31,513
		108,189	114,451
12.01.01 Advances to employees			
Employees' car advances		2,490	1,407
Employees' personal accounts		877	952
Festival advances		39,404	40,644
House building advances		29,495	39,935
		72,266	82,938
Advance to employees represents amount of advances recoverable in cash from employees by the company.			
12.01.02 Advances against expenses			
Employees' travelling expenses		629	1,063
Contractors for supplies		18,976	13,882
Advance to carriers		16,318	16,568
		35,923	31,513
Advances against expenses represents amount of advances to employees, various parties which will be adjusted in the subsequent years.			
12.02 Deposits:			
Long term deposits	12.02.01	11,672	11,672
Short term deposits	12.02.02	2,362,531	58,759
		2,374,203	70,431
12.02.01 Long term deposits			
Security deposits against telephone		106	106
Security deposits against electricity supply		1,113	1,113
Sundry security deposits		10,430	10,430
Security deposits against chemicals		23	23
		11,672	11,672
12.02.02 Short term deposits			
Deposits against franking machine		5	3
Deposits against duty		2,362,526	58,756
		2,362,531	58,759
12.03 Prepayments:			
Insurance premium		3,842	4,055
Rent, rates and taxes		19,156	20,314
		22,998	24,369
13.00 Cash and Cash Equivalents			
Cash in hand	13.01	1,204	1,078
Remittance in transit (Through Pay Order)		1,212,974	985,128
Cash at banks	13.02	29,981,036	22,935,765
Fixed deposit receipts	13.03	7,772,301	15,143,129
		38,967,515	39,065,100

		Taka in '000	
		30 June 2022	30 June 2021
Note(s)			
13.01 Cash in hand			
Head office		948	539
Depot		256	539
		1,204	1,078
13.02 Cash at banks			
Short notice deposit (SND)	13.02.01	29,725,748	22,564,838
Current account	13.02.02	215,328	339,466
Collection account	13.02.03	2,136	7,096
Dividend account	13.02.04	37,824	24,365
		29,981,036	22,935,765
13.02.01 Short notice deposit (SND)			
AB Bank Limited		4,001,567	1,830,510
Agrani Bank Limited		26,347	149,300
Bank Asia Limited		19,173	24,147
Brac Bank Limited		490,536	288,364
Citybank NA		20,877	25,099
Eastern Bank Limited		4,318,518	2,151,069
HSBC		1,428,552	352,145
Janata Bank Limited		833,623	203,048
Mercantile Bank Limited		4,166,277	4,349,884
NCC Bank Limited		1,116,011	784,005
NRB Bank Limited		972,047	1,859,880
ONE Bank Limited		4,383,408	4,458,165
Prime Bank Limited		265,039	368,639
Pubali Bank Limited		1,841,202	1,793,732
Sonali Bank Limited		59,667	45,964
Standard Chartered Bank		118,677	148,840
Trust Bank Limited		1,094,702	39,591
United Commercial Bank Limited		4,569,525	3,692,456
		29,725,748	22,564,838
13.02.02 Current account			
Brac Bank Limited		1,308	-
Janata Bank Limited		30,132	124,894
Mercantile Bank Limited		11,149	168,216
ONE Bank Limited		159,164	-
Sonali Bank Limited		5	5
Standard Chartered Bank		13,570	46,351
		215,328	339,466
13.02.03 Collection account			
Pubali Bank Limited		2,136	6,435
United Commercial Bank Limited		-	661
		2,136	7,096
13.02.04 Dividend account			
Standard Chartered Bank		37,824	24,365
		37,824	24,365
13.03 Fixed deposit receipts (FDR)			
Name of banks			
AB Bank Limited		266,584	465,431
Agrani Bank Limited		-	1,306,529
Al Arafa Islami Bank Ltd		101,952	-
Bangladesh Development Bank Limited		53,427	50,675
Bangladesh Krishi Bank		-	1,256,090
Basic Bank Limited		107,921	309,128
Community Bank Bangladesh Limited		108,739	-
Community Bank Limited		-	103,060
Dhaka Bank Limited		-	50,675

Note(s)	Taka in '000	
	30 June 2022	30 June 2021
Exim Bank Limited	460,833	-
First Security Islami Bank Limited	412,774	-
IFIC Bank Limited	205,436	451,350
Investment Corporation of Bangladesh	-	692,716
Janata Bank Limited	938,789	4,773,545
Global Islami Bank Limited	1,120,177	1,477,815
Mutual Trust Bank Ltd	50,000	-
National Bank Ltd	-	206,383
NRB Bank Limited	50,000	-
ONE Bank Limited	50,000	-
Premier Bank Ltd	1,624,488	1,152,419
Rajshahi Krishi Bank	-	206,035
Rupali Bank Limited	-	750,000
Social Islami Bank Limited	625,872	518,556
Trust Bank Limited	50,000	-
Union Bank Limited	1,495,309	1,372,722
United Commercial Bank Ltd	50,000	-
	7,772,301	15,143,129

Tenure is 3 months, Interest Rate is 6.00%



		Taka in' 000	
		30 June 2022	30 June 2021
14.00 Share Capital			
No. of Shares			
Authorized capital:			
100,000,000	Ordinary Shares of Tk. 10 each	1,000,000	1,000,000
Issued, Subscribed and Paid-up capital:			
1,275,000	1,275,000 Ordinary shares of Tk. 10 each fully paid up in cash.	12,750	12,750
1,225,000	1,225,000 Ordinary shares of Tk. 10 each fully issued as fully paid-up bonus shares for consideration other than cash.	12,250	12,250
1,000,000	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (stock dividend) shares in the ratio of 2 share for every 5 shares held.	10,000	10,000
1,400,000	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (stock dividend) shares in the ratio of 2 share for every 5 shares held.	14,000	14,000
4,900,000	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (stock dividend) shares in the ratio of 1 share for every 1 share held on 31 January 2009.	49,000	49,000
19,600,000	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (stock dividend) shares in the ratio of 2 share for every 1 share held on 06 February 2010.	196,000	196,000
14,700,000	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (stock dividend) shares in the ratio of 1 share for every 2 share held on 12 May 2012.	147,000	147,000
22,050,000	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (stock dividend) shares in the ratio of 1 share for every 2 share held on 28 June 2012.	220,500	220,500
23,152,500	Ordinary shares of Tk. 10 each issued as fully paid-up bonus (35% stock dividend) held on 16 February 2013.	231,525	231,525
8,930,250	Ordinary shares of Tk.10 each issued as fully paid-up bonus (10% stock dividend) held on 15 February 2014.	89,302	89,302
98,232,750		982,327	982,327

14.01 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding %
Less than 500	6,537	943,723	0.96
From 500 to 5,000	2,248	3,492,521	3.56
From 5,001 to 10,000	157	1,142,520	1.16
From 10,001 to 20,000	105	1,511,763	1.54
From 20,001 to 30,000	36	919,602	0.94
From 30,001 to 40,000	21	742,593	0.76
From 40,001 to 50,000	6	277,647	0.28
From 50,001 to 100,000	21	1,593,213	1.62
From 100,001 to 1000,000	44	12,046,369	12.26
From 1,000,001 and above	9	75,562,799	76.92
	9,184	98,232,750	100.00

14.02 Composition of Shareholders

Name of shareholders	As at 30 June 2022		As at 30 June 2021	
	No. of Shares	Holding %	No. of Shares	Holding %
Bangladesh Petroleum Corporation (BPC)	49,455,666	50.35	49,455,666	50.35
Public and Private Institutions	24,863,654	25.31	23,405,862	23.83
Investment Corporation of Bangladesh	9,403,157	9.57	9,311,651	9.48
Foreign Investors	843,067	0.86	879,240	0.90
Individuals (Bangladeshi)	13,667,206	13.91	15,180,331	15.45
Total	98,232,750	100.00	98,232,750	100.00

		Taka in '000	
Note(s)		30 June 2022	30 June 2021
15.00 Depreciation Fund Reserve			
Opening Balance		187,669	101,600
Net surplus from investment	15.01	82,227	86,069
		269,896	187,669
15.01 Surplus From Investment			
Excess of Income Over Expenditure		108,194	116,902
Beneficiaries Profit Participation Fund		(5,410)	(5,845)
		102,784	111,057
Provision for Taxation @ 20%		(20,557)	(24,988)
		82,227	86,069

16.00 Deferred tax liabilities

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of Property, plant and equipment, their respective tax bases and provision for bad debts:

Opening balance	187,245	212,928
Provided / (adjusted) for the year	(58,516)	(25,683)
Closing balance	128,729	187,245

16.01 Reconciliation of Deferred tax liabilities/(assets)

		Taka in '000	
Carrying amount on the date of statement of financial position		Tax base	Taxable/ (Deductible) temporary difference
Taka		Taka	Taka
As at 30 June 2022			
Property, plant and equipment	1,617,244	838,703	778,541
Provision for bad debts against trade receivable	(134,897)	-	(134,897)
			643,644
Applicable tax rate			20.00%
Deferred tax liability			128,729
As at 30 June 2021			
Property, plant and equipment	1,739,546	907,344	832,202
			832,202
Applicable tax rate			22.50%
Deferred tax liability			187,245

		Taka in '000	
		30 June 2022	30 June 2021
17.00 Long Term Loan			
Loan Account - Storage Tank at GDL		110,078	110,078
Equity Account - Storage Tank at GDL		73,385	73,385
		183,463	183,463

Long term liabilities represents fund from Govt. of Bangladesh (GOB) for the construction of 7000 MT Jet -A-1 & 7000 + 8000 MT HSD Storage tanks at Godnail Depot. GOB is providing the 60% of the fund as Loan @ of 5% interest and Balance 40% as Equity. The Loan has been repayable in 20 years with a grace period of 5 years.

18.00 Accounts payable			
Other supplies -BPC		10,619,021	14,557,878
Other supplies - Others		36,210	38,168
Other charges		362,725	483,344
		11,017,956	15,079,389

		Taka in '000	
	Note(s)	30 June 2022	30 June 2021
19.00 Supplies and expenses payable			
Revenue charges-BPC		559,399	397,768
Revenue charges-Others		2,724,689	3,267,927
Duty, rates and taxes		88,414	92,831
Employees' remuneration		5,434	2,999
		3,377,936	3,761,525
20.00 Due to affiliated entities / companies			
Bangladesh Petroleum Corporation (BPC)		74,983,970	53,228,704
Meghna Petroleum Limited		6,887	6,887
Jamuna Oil Company Limited		93,796	99,005
Standard Asiatic Oil Company Limited		-	247,352
Liquified Petroleum Gas Limited		30,717	27,127
		75,115,370	53,609,075
21.00 Other Liabilities			
Advance against sales from Customers and Agent		1,900,420	1,878,057
Employees' pension fund	21.01	136,814	114,859
Employees' fund-others		(6,648)	32,895
Security deposits		192,197	170,565
Tax deducted at source		115	-
Employees' personal accounts *		59,179	53,030
Liabilities for Capital Expenditure		70,258	23,734
Workers' Profit Participation and Welfare Funds	21.02	157,122	154,016
Others*		1,775,407	1,798,762
		4,284,863	4,225,918

* Amounts due to Managers and Officers of the company.

* Others included, amount received from Eastern Refinery Limited for lease of land Tk. 1,499,157,474.

21.01 Employees' Pension Fund			
Opening balance		114,859	488,034
Provision made during the year according to actuarial valuation		313,781	288,818
		428,640	776,852
Payment to pension fund made during the year		291,827	661,993
Closing balance		136,814	114,859

Actuarial valuation of the Pension Fund was conducted as on 30 June 2016 and the report was issued on 24 January 2018. Past Service Deficits in the funds were estimated at Tk. 937,423,000 for Senior Staff and Tk. 1,112,953,000 for Junior Staff as on 30 June 2016. To meet the past service deficit, the valuer recommended to pay Tk. 450 million each year over the next five years and contribution of 14% of total basic salary for Junior staff and 23.7% of total basic salary for senior staff each year in respect of current service cost. The valuation was conducted by Z. Halim & Associates, a reputed Actuarial & Pension Consultants in Bangladesh. Earlier, valuation was done as on 31 December 2013 by the same actuary.

Actuarial assumption:	Rate
Salary growth	5%
Return on investment	6%

		Taka in '000	
		30 June 2022	30 June 2021
21.02 Workers' Profit Participation and Welfare Funds			
Opening balance		154,016	191,480
Add: Provided during the year		157,122	154,016
Less: Paid during the year		(154,016)	(191,480)
Closing Balance		157,122	154,016

		Taka in '000	
	Note(s)	30 June 2022	30 June 2021
22.00 Unclaimed dividend			
Unclaimed cash dividend	22.02	62,975	177,210
Unclaimed fractional dividend	22.03	-	1,498
Interest on unclaimed dividend		39	-
		63,014	178,708

The Company has transferred an amount of Tk. 124,956,044.90 on 27 September 2021 to Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) as per notification no- BSEC/CMRRCD/2021-391/20/Admin/121 dated 14 January 2021 to fulfil its requirement to transfer the unclaimed dividend remained unpaid for three (3) years or more. The company has not yet transferred unclaimed dividend Tk 16,071,179 for the year ended 30 June 2018 which has remained unpaid more than three (3) years to comply aforesaid BSEC notification. The Company yet to formulate dividend distribution policy which is required to be disclosed in its annual report and official website. The Company formed a committee on 02 October 2022 to finalize the dividend distribution policy.

22.01 Movement of Unclaimed Dividend			
Opening balance		178,708	166,338
Cash dividend declared during the year		1,227,909	1,227,909
Dividend paid during the year		(1,343,603)	(1,217,037)
Closing balance		63,014	177,210

22.02 Unclaimed cash dividend			
<u>Dividend outstanding for the years:</u>			
2021		15,520	-
2020		15,343	17,594
2019		16,041	17,205
2018		16,071	16,660
2017		-	14,099
2016		-	17,016
2015		-	14,252
2014		-	31,704
2013		-	14,633
2012		-	8,632
2011		-	11,357
2010		-	6,051
2009		-	1,745
2008		-	853
2007 or before		-	5,409
		62,975	177,210

Remaining unclaimed dividend on account of Individuals (Bangladeshi).

22.03 Unclaimed fractional dividend			
2013		-	202
2012		-	136
2011		-	105
2010		-	14
1996		-	1,041
		-	1,498



		Taka in '000	
Note(s)		30 June 2022	30 June 2021
23.00 Income tax payable			
Opening balance		325,921	293,613
Add: Provision made during the year		640,038	665,964
Less: Paid/adjusted with advance income tax	23.01	(763,837)	(633,656)
Closing balance		<u>202,122</u>	<u>325,921</u>
23.01 Advance income tax			
Tax deducted at source on supplying petroleum (U/S 52)		345,700	170,129
Tax deducted at source on import (U/S 53)		12,593	12,888
Tax deducted at source on interest on FDRs and SND (U/S 53F)		237,934	270,591
Advance tax paid (U/S 64)		36,000	35,000
		<u>632,227</u>	<u>488,608</u>
Tax paid (U/S 74)		131,610	145,048
		<u>763,837</u>	<u>633,656</u>

		30 June 2022		30 June 2021	
		Rate	Taka '000	Rate	Taka '000
Profit for the year			3,142,441		2,926,306
Total income tax expenses		<u>18.51%</u>	<u>581,522</u>	<u>21.88%</u>	<u>640,281</u>

Factors effecting the tax charge:

Income tax using the company's domestic tax rate	20.00%	628,488	22.50%	658,419
Excess of tax depreciation over accounting depreciation	0.37%	11,514	0.20%	5,835
Adjustment for inadmissible expenses	0.00%	36	0.06%	1,710
Impact of temporary differences in deferred tax	-1.86%	(58,516)	-0.88%	(25,683)
	<u>18.51%</u>	<u>581,522</u>	<u>21.88%</u>	<u>640,281</u>

24.00 Position of Pending Tax Assessments

Accounting Year	Assessment Year	(Recoverable) / Payable as per order of Tax Department Taka in '000	Remarks
2001-02	2002-03	117,594	Rectification U/S 173 - pending in the High Court.
2002-03	2003-04	111,045	Rectification U/S 173 pending - AJCT reopened U/S 120 after tribunal order
2003-04	2004-05	97,610	Rectification U/S 173 pending - AJCT reopened U/S 120 after tribunal order
2004-05	2005-06	37,901	U/S 83(2)/ 82c/ 156/ 159/ 83(2)/ 156 - Rectification of mistake U/S 173
2005-06	2006-07	8,640	High Court against 82c - result in favour of POCL
2006-07	2007-08	(13,572)	Return submitted U/S 82BB
2007-08	2008-09	41,766	High Court - result in favour of POCL
2008-09	2009-10	(295)	Return submitted U/S 82BB
2009-10	2010-11	-	Return submitted U/S 82BB
2010-11	2011-12	(125,116)	Return submitted U/S 82BB
2011-12	2012-13	-	Return submitted U/S 82BB
To	To	-	Return submitted U/S 82BB
2019-20	2020-21	-	Return yet to be submitted
2020-22	2021-23	-	Return yet to be submitted
		<u>275,573</u>	

Taka in '000			
	Note(s)	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
25.00 Gross earnings on Petroleum Product			
Turnover	25.02	227,217,288	159,348,286
Cost of goods sold	25.02	(224,873,380)	(157,187,055)
Gross Earnings		2,343,909	2,161,231

25.01 Gross Earnings

i. Major Products	Gross Earnings	Packaging	Handling	Operational Gain/(Loss)	Net earnings	Net earnings
HOBC	166,845	-	(425)	(38,511)	127,909	86,957
Jet A-1	538,886	-	(1,279)	(134,560)	403,047	515,285
JP5	-	-	-	-	-	986
MS	156,574	-	(469)	(54,369)	101,736	163,566
SKO	19,904	-	(85)	(8,345)	11,474	9,810
HSD	811,846	-	(4,641)	37,018	844,223	826,001
LDO	452	-	(2)	-	450	247
FO	84,318	-	(587)	66,645	150,376	148,012
LSFO	30,956	-	(43)	(840)	30,073	9,238
JBO	956	-	(11)	687	1,632	896
MTT	5,832	-	(2)	(10)	5,820	1,352
SBP	796	-	(19)	(581)	196	334
Sub Total	1,817,365	-	(7,563)	(132,866)	1,676,936	1,762,684
ii Minor Products						
Lubs & Greases	512,235	(21,819)	(13)	-	490,403	350,517
LPG(Cylinders)	5,202	-	(10)	-	5,192	6,326
Bitumen	2,493	-	(37)	-	2,456	3,472
Other Products	6,614	-	-	-	6,614	14,482
Sub Total	526,544	(21,819)	(60)	-	504,665	374,797
Grand Total	2,343,909	(21,819)	(7,623)	(132,866)	2,181,601	2,137,481

25.02 Turnover and Cost of Goods Sold

01 July 2020 to 30 June 2022				01 July 2020 to 30 June 2021		
i. Major Products	Quantity	Turnover	Cost of goods sold	Quantity	Turnover	Cost of goods sold
	MT, '000	Tk, '000	Tk, '000	MT, '000	Tk, '000	Tk, '000
HOBC	142	16,375,712	16,208,867	106	12,276,355	12,171,317
Jet A-1	428	38,264,099	37,725,214	235	12,733,253	12,223,597
JP5	-	-	-	-	2,218	1,232
MS	157	18,180,967	18,024,393	138	16,014,716	15,814,448
SKO	28	2,623,592	2,603,688	33	2,674,383	2,656,145
HSD	1,549	133,747,642	132,935,796	1,420	105,288,565	104,485,650
LDO	1	47,733	47,281	1	33,975	33,727
FO	196	13,623,797	13,539,479	169	6,869,891	6,759,672
LSFO	14	819,717	788,761	5	169,210	158,844
JBO	4	380,459	379,503	1	80,598	80,119
MTT	6	608,985	603,153	4	411,667	409,895
SBP	1	101,460	100,664	3	323,708	320,840
Sub Total	2,526	224,774,163	222,956,799	2,115	156,878,539	155,115,486
ii Minor Products						
Lubs & Greases	4	1,655,472	1,143,237	4	1,534,781	1,160,926
LPG	3	149,543	144,341	3	158,977	152,644
Bitumen	12	624,683	622,190	18	752,572	749,064
Other Products	-	13,427	6,813	-	23,417	8,935
Sub Total	19	2,443,125	1,916,581	25	2,469,747	2,071,569
Grand Total	2,545	227,217,288	224,873,380	2,140	159,348,286	157,187,055

		Taka in '000	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Note(s)			
26.00 Administrative, Selling and Distribution Expenses			
Salaries, wages and benefits	26.01	1,427,084	1,252,697
Depreciation	4.00	216,338	209,953
Advertisement		7,481	4,931
Audit fees		253	253
Aviation Service fees paid to Shell	36.00	23,000	20,000
BPC service charges		875	700
Communication expenses		4,200	3,826
Directors' fees and expenses	33.00	2,950	2,632
Entertainment		4,215	4,078
Fuel and power		67,012	63,199
Insurance		6,511	7,026
Legal and professional fees		2,927	2,080
Printing and stationery		12,888	10,926
Repairs and maintenance	26.02	79,656	48,868
Rent		42,622	35,796
Rates and taxes		8,952	6,301
Stores and spares		69,976	48,881
Travelling and conveyance		21,459	16,577
Other charges	26.03	169,069	165,722
		2,167,468	1,904,446
		(500)	(500)
		2,166,968	1,903,946
Recoveries of Service charges from ELBL			
26.01 Salaries, wages and benefits			
Salaries, wages and bonus		475,356	432,716
Welfare and benefits		615,243	507,589
Contribution to pension fund		304,618	280,376
Contribution to provident fund		31,867	32,016
		1,427,084	1,252,697
26.02 Repairs and maintenance			
Plant and Machinery		47,794	29,321
Building		23,897	14,660
Others		7,965	4,887
		79,656	48,868
26.03 Other Charges			
Casual Labour wages		124,925	120,888
Common depot expenses (1/3 share)		3,948	4,671
CSR(Corporate Social Responsibility)		1,065	4,600
AGM expenses		2,424	1,565
Miscellaneous expenses		20,633	17,639
Security expenses (Police / Ansar)		16,074	16,359
		169,069	165,722
27.00 Financial Expenses			
Bank Charges		8,220	13,195
Interest expenses against product (BPC)*		165,195	137,195
Interest on WPPF & WF		76,270	95,215
		249,685	245,605
* Interest expenses against product are charged by the BPC.			
28.00 Other Operating Income			
Sundry income	28.01	71,987	41,875
Profit from Product handling		479,421	375,916
Other charge recovery		227,189	-
Miscellaneous receipts		10,933	34,642
		789,530	452,433

		Taka in '000	
		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Note(s)			
28.01 Sundry income - net			
Land rent/plant hire/service charges from Eastern Lubricants and Blenders Limited		354	354
Rent receipts from Filling Station and Power Station		41,827	29,335
Service Charges receipts from Private Power Station		29,806	12,186
		71,987	41,875
29.00 Operating Profit / (Loss) on Agro-Chemicals Trading			
Sales		570,906	537,835
Cost of Sales:			
Product Cost	29.01	(360,484)	(334,128)
Other Cost - direct	29.02	(65,823)	(73,422)
Gross Profit		144,599	130,285
Administrative, selling and distribution expenses			
Salaries, wages and benefits	29.03	129,885	116,357
Depreciation	4.00	1,905	2,813
Stores and spares		2,174	2,163
Advertisement		133	415
Fuel and power		3,400	3,746
Travelling and conveyance		2,205	2,551
Rent		5,641	5,525
Insurance		684	696
Repairs and maintenance	29.04	698	525
Rates and taxes		1,212	1,198
Printing and stationery		734	551
Communication expenses		344	577
Entertainment		555	534
Other Charges	29.05	23,427	22,022
		172,997	159,673
Operating profit / (loss)		(28,398)	(29,388)

29.01 Product cost

01 July 2020 to 30 June 2022		01 July 2020 to 30 June 2021	
Quantity (MT)	Amount (Tk.) in '000	Quantity (MT)	Amount (Tk.) in '000
Opening Stock	1,957	1,152	310,361
Purchased/ Manufactured	1,883	2,680	359,815
	3,840	3,832	670,176
Closing stock	1,708	1,957	336,048
	2,132	1,875	334,128

29.02 Other Cost - direct

Sales Promotion	43,758	43,530
Packages Cost	16,770	24,090
Freight	4,436	5,040
Handling of Products	859	762
	65,823	73,422

29.03 Salaries, wages and benefits

Salaries, wages and bonus	70,472	56,076
Other benefits	48,287	49,661
Contribution to pension and PF	11,126	10,620
	129,885	116,357

29.04 Repairs and Maintenance

Plant and machinery	355	267
Building	328	246
Others	15	12
	698	525

Note(s)	Taka in '000	
	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
29.05 Other Charges		
Transport Expenses	10,173	8,957
Casual Labour	11,479	11,306
Service Charge	1,000	1,000
Sundries	775	759
	23,427	22,022
30.00 Non-Operating Income		
Profit/(loss) on disposal of fixed assets (Petroleum trading)	(981)	26
Profit on disposal of fixed assets (Agro-Chemical trading)	20	1,024
Lease Rent	40,518	40,518
Interest on SND (Gross) for Agro Chemical Trading	10,000	10,000
Interest on SND (Gross)	1,275,270	1,091,640
Interest on FDR (Gross)	1,285,522	1,524,800
Disposal of Miscellaneous store	5,721	1,339
	2,616,070	2,669,347



31.00 Quantitative Reconciliation of POL Products and value of closing stock are as follows:

Product	Opening Inventory as on 1 July 2021	Purchase	* Operation Gain/ (Loss)	* Transit Gain/ (Loss)	Sub Total	Sales at Natural	* Conversion Gain/ (Loss)	Sales at 30' c	Closing Inventory as at 30 June 2022
1	2	3	4	5	6=(2+3+4+5)	7	8	9=(7-8)	10=(6-9)
HOBC (in Ltr.)	6,790,990	196,722,427	(465,337)	(347,276)	202,700,804	194,053,142	(600,548)	194,653,690	8,047,114
JET A-1 (in Ltr.)	45,588,169	537,589,277	(1,235,176)	(2,943,553)	578,998,717	543,770,195	(1,105,128)	544,875,323	34,123,394
JP-5 (in Ltr.)	26,880	-	-	-	26,880	-	-	-	26,880
MS (in Ltr.)	5,811,844	221,437,183	(680,605)	(551,932)	226,016,490	222,414,170	(720,005)	223,134,175	2,882,315
SKO (in Ltr.)	3,088,123	37,220,031	(108,572)	(28,062)	40,171,520	35,881,765	(64,834)	35,946,599	4,224,921
HSD (in Ltr.)	144,636,135	1,780,202,952	489,604	(3,741,430)	1,921,587,261	1,836,499,808	(3,687,397)	1,840,187,205	81,400,056
LDO (in Ltr.)	23,383	699,275	2,985	-	725,643	702,200	-	702,200	23,443
FO (in Ltr.)	3,311,078	221,906,890	919,875	(236,517)	225,901,326	212,172,053	363,049	211,809,004	14,092,322
LSFO (in Ltr.)	7,896,975	8,518,945	(9,287)	-	16,406,633	15,594,730	(3,165)	15,597,895	808,738
JBO (in Ltr.)	1,018,408	4,118,848	7,771	(7,440)	5,137,587	4,230,100	(10,397)	4,240,497	897,090
MTT (in Ltr.)	308,829	7,946,000	(7,878)	-	8,246,951	8,229,538	(2,477)	8,232,015	14,936
SBP (in Ltr.)	110	1,140,000	(110)	-	1,140,000	1,140,000	-	1,140,000	-
LS-HSD (in Ltr.)	-	46,342	-	-	46,342	46,342	-	46,342	-
LMS (in Ltr.)	-	500,000	-	-	500,000	500,000	-	500,000	-
Dead Stock	15,537,113	-	-	-	15,537,113	-	-	-	15,537,113
2021-2022	234,038,037	3,018,048,170	(1,086,730)	(7,856,210)	3,243,143,267	3,075,234,043	(5,830,902)	3,081,064,945	162,078,322
2020-2021	314,331,208	2,496,560,484	637,833	(7,611,736)	2,803,917,789	2,565,195,159	(4,684,593)	2,569,879,752	234,038,037

* Conversion gain/(loss), column 8 due to difference between sales at 30°C and natural sales is adjusted with products cost where as products receipts/purchase(column-3) is made on 30°C.

* Transit loss(column-5) is fully recovered; i.e, admissible gain/(loss) is borne by BPC and loss beyond allowable limit is recovered from the carriers for all products other than Jet A-1.

* Operation gain/(loss) Column-4 (note-30.01)



31.01 Net Operational Gain/(Loss):

LOCATIONS	HOB		JET A-1		MS		SKO		HSD		LSFO	
	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.
MI CTG.	33,641	2,784,129	92,741	10,103,205	(75,218)	(6,006,909)	(58,025)	(4,459,802)	1,010,593	76,737,990	(9,287)	(9,287)
ASHUGONJ	-	-	-	-	-	-	(5,467)	(420,194)	(716)	(54,208)	-	-
CHANDPUR	2,572	212,859	-	-	(115)	(9,184)	1,435	110,294	19,667	1,488,989	-	-
SYLHET	(34,186)	(2,829,233)	-	-	(45,421)	(3,627,321)	(2,578)	(198,145)	30,652	2,320,663	-	-
BAHMANBARIA	-	-	-	-	-	-	-	-	-	-	-	-
SREMANGAL	11,422	945,285	-	-	14,945	1,193,508	3,541	272,161	204,329	15,469,749	-	-
DAULATPUR	26,291	2,175,843	(3,337)	(363,533)	(70,057)	(5,594,752)	(7,761)	(596,510)	(189,334)	(14,334,477)	-	-
GODENAIL	(374,179)	(30,967,054)	(242,986)	(26,470,895)	(268,552)	(21,446,563)	(22,775)	(1,750,487)	(616,844)	(46,701,259)	-	-
JHALAKATI	919	76,056	-	-	(3,295)	(263,139)	(3,752)	(288,379)	77,089	5,836,408	-	-
RANGPUR	(2,165)	(179,175)	-	-	(27,341)	(2,183,452)	(3,429)	(263,553)	2,638	199,723	-	-
BAGHABARI	(125,345)	(10,373,552)	-	-	(203,261)	(16,232,423)	(8,053)	(618,954)	293	22,183	-	-
MONGLA OI	-	-	-	-	-	-	-	-	(65,978)	(4,995,194)	-	-
HSI AIRPORT	-	-	(1,000,499)	(108,994,361)	-	-	-	-	(26)	(1,968)	-	-
CHITTAGONG AIRPORT	-	-	51,511	5,611,608	-	-	-	-	-	-	-	-
OI AIRPORT, SYLHET	-	-	(132,606)	(14,446,098)	-	-	-	-	-	-	-	-
BHAIRAB BAZAR	-	-	-	-	-	-	(580)	(44,579)	63,025	4,771,623	-	-
PARBATTIPUR	(4,307)	(356,447)	-	-	(2,290)	(182,879)	(1,128)	(86,698)	22,987	1,740,346	-	-
NATORE	-	-	-	-	-	-	-	-	1,171	88,656	-	-
BARISAL BARGE	-	-	-	-	-	-	-	-	(69,942)	(5,295,309)	-	-
2020-2022 TOTAL	(465,337)	(38,511,289)	(1,235,176)	(134,560,074)	(680,605)	(54,353,114)	(108,572)	(8,344,846)	489,604	37,293,915	(9,287)	(9,287)
2020-2021 TOTAL	(215,586)	(17,863,455)	99,783	6,110,711	(455,463)	(36,418,822)	(134,702)	(8,359,606)	426,254	26,005,756	(17,333)	(17,333)

LOCATIONS	LSFO		FO		JBO		MTT		SBP		TOTAL	
	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.
MI CTG.	(840,009)	493,575	35,759,509	6,641	586,998	(7,878)	(580,609)	(110)	(9,750)	1,486,673	114,074,752	(9,287)
ASHUGONJ	-	-	-	-	-	-	-	-	-	(6,183)	(474,402)	-
CHANDPUR	-	-	-	-	-	-	-	-	-	23,559	1,802,958	-
SYLHET	-	-	-	-	-	-	-	-	-	(51,533)	(4,334,036)	-
BAHMANBARIA	-	-	-	-	-	-	-	-	-	-	-	-
SREMANGAL	-	-	-	-	-	-	-	-	-	234,237	17,880,703	-
DAULATPUR	-	340,366	24,659,517	4,894	432,581	-	-	-	-	101,062	6,378,669	-
GODENAIL	-	94,207	6,825,225	(3,764)	(332,700)	-	-	-	-	(1,434,893)	(120,843,733)	-
JHALAKATI	-	-	-	-	-	-	-	-	-	70,961	5,360,946	-
RANGPUR	-	-	-	-	-	-	-	-	-	(30,297)	(2,426,457)	-
BAGHABARI	-	-	-	-	-	-	-	-	-	(336,366)	(27,202,746)	-
MONGLA OI	-	(8,273)	(599,379)	-	-	-	-	-	-	(74,251)	(5,594,573)	-
HSI AIRPORT	-	-	-	-	-	-	-	-	-	(1,000,525)	(108,996,329)	-
CHITTAGONG AIRPORT	-	-	-	-	-	-	-	-	-	51,511	5,611,608	-
OI AIRPORT, SYLHET	-	-	-	-	-	-	-	-	-	(132,606)	(14,446,098)	-
BHAIRAB BAZAR	-	-	-	-	-	-	-	-	-	62,445	4,727,044	-
PARBATTIPUR	-	-	-	-	-	-	-	-	-	15,262	1,114,322	-
NATORE	-	-	-	-	-	-	-	-	-	1,171	88,656	-
BARISAL BARGE	-	-	-	-	-	-	-	-	-	(69,942)	(5,295,309)	-
2021-2022 TOTAL	(840,009)	919,875	66,644,872	7,771	686,879	(7,878)	(580,609)	(110)	(9,750)	(1,089,715)	(132,574,025)	(9,287)
2020-2021 TOTAL	(1,117,112)	966,799	38,140,220	(9,817)	(867,724)	(20,481)	(1,509,450)	(1,621)	(143,685)	637,833	3,976,833	(17,333)



31.02 Statement of Cost of Sales (Product wise): (Quantity: MT)

Name of the Products	Opening Stock		Closing Stock		Cost of Sales	
	Qty	Tk. '000	Qty	Tk. '000	Qty	Tk. '000
Furadan 5G.	56	4,114	56	4,114	-	-
Mipcin 75WP	8	6,482	9	6,966	19	14,337
Ripcord 10EC	37	24,845	40	26,688	113	71,728
Acrobat MZ	29	26,689	35	33,091	53	47,064
Roteluck 9%	9	1,423	8	1,304	1	118
Mukta Plus	30	2,468	313	36,754	282	30,984
Talstar 2.5EC	4	1,666	5	1,953	7	2,998
Haymancozeb	15	4,734	16	5,412	31	10,818
Haconazole	15	6,920	14	6,312	29	12,164
Mg Plus	196	3,202	179	4,737	426	11,155
Salubar Baron(Folieral)	-	3	-	3	-	-
Regent 50SC	8	9,187	4	4,915	24	27,755
Haysulf DF 80%	103	8,441	59	5,180	232	19,164
Sulcox 50WP	7	3,705	15	9,432	16	9,725
Glyfocl 41SL	11	3,383	8	2,543	8	2,508
Opal 75EC	3	2,009	2	1,385	1	624
Haymidor 70WG	1	2,055	-	792	-	1,264
Defence 35SC	12	6,533	5	2,855	7	3,679
Stroke 50EC	1	921	1	921	-	-
Arivo 10EC	-	-	-	-	-	-
Intrapid 10SC	1	647	-	18	1	629
Hayclaim 5SG	1	1,557	2	3,087	1	2,070
Accurator 69EW	1	859	1	408	1	451
Surpass20SC	2	4,079	1	2,081	1	1,998
Novostar 56EC	10	8,418	1	970	9	7,448
Trigger 56EW	6	3,374	5	3,019	-	355
Ugent 63GR	280	26,351	206	19,450	73	6,901
Padma Chelate	1	207	-	181	-	27
Piquat	19	2,979	-	5	19	2,974
Soil Zip	178	1,991	246	3,057	313	3,860
Super Fast	4	2,862	7	5,287	7	5,317
Head Line Team	20	31,116	17	26,160	3	4,956
Saeta 1.8EC	16	9,979	14	8,716	2	1,262
Couger	8	17,144	6	11,955	3	5,189
Novofix 42WDG	3	1,769	9	4,487	4	2,282
Samar 75WP	11	18,029	7	12,006	4	6,024
Pithion 46.5EC	3	1,011	2	698	1	313
Padma Lambda	4	1,531	8	3,781	6	2,623
Primidor	3	7,524	3	6,916	1	608
Optimus	4	7,245	3	4,842	1	2,404
Stargate	833	61,186	394	28,942	439	32,244
Pidion	2	4,895	1	3,979	-	916
Bisben 30WP	2	2,438	-	228	2	2,210
Paceben 18WP	-	77	6	2,070	4	1,338
30 June 2022	1,957	336,048	1,708	307,700	2,144	360,484
30 June 2021	1,152	310,361	1,957	336,048	1,875	334,128



31.03 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:

Petroleum products : Includes the company's earnings from marketing of Petroleum products

Lubricating Oil & Grease: Includes the company's income from trading lubricating oil & grease.

Bitumen : Includes the company's earnings from marketing of bitumen.

LPG: Includes the company's earnings from marketing of LPG.

Agro-Chemicals products: Includes the company's income from trading imported Agro-Chemicals products.

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 below:

31.03.01 Information about reportable Segments:

Taka in '000						
	Petroleum products	Lubricating Oil & Grease	Bitumen	LPG	Agro-Chemicals products	Total
Turnover	224,787,590	1,655,472	624,683	149,543	570,906	227,788,194
Cost of goods sold	(222,963,612)	(1,143,237)	(622,190)	(144,341)	(360,484)	(225,233,864)
Other cost	(7,563)	(21,832)	(37)	(10)	(65,823)	(95,265)
Operational Gain/(Loss)	(132,866)	-	-	-	-	(132,866)
Operating Profit/(Loss)	1,683,550	490,403	2,456	5,192	144,599	2,326,200
selling and distribution	(2,166,968)	-	-	-	(172,997)	(2,339,965)
Financial expenses	(249,685)	-	-	-	-	(249,685)
	(733,103)	490,403	2,456	5,192	(28,398)	(263,450)
Other operating income -petroleum trade	789,530	-	-	-	-	789,530
Reportable Segment Total Operating Profit (2021-22)	56,427	490,403	2,456	5,192	(28,398)	526,080
Reportable Segment Total Operating Profit (2020-21)	80,048	350,517	3,472	6,326	(29,388)	410,975

31.03.02 Reconciliation of Reportable Segment Total Operating Profit

Reportable Segment Total Operating Profit
Amount not related to reportable segments
Profit before tax

Taka in '000	
30 June 2022	30 June 2021
526,080	410,975
2,458,948	2,515,331
2,985,319	2,926,306

31.03.03 Amount Not Related to Reportable Segments

Non-Operating Income
Contribution to Worker Profit Participant & Welfare Fund

2,616,070	2,669,347
(157,122)	(154,016)
2,458,948	2,515,331

31.04 Analysis of Material Consumed (Agro-chemicals trading):

	01 July 2021 to 30 June 2022		01 July 2020 to 30 June 2021	
	Qty.	Tk. 000	Qty.	Tk. 000
Packing Materials	Various	16,770	Various	24,090
		<u>16,770</u>		<u>24,090</u>

31.05 Value of raw materials, packing materials and stores & spares consumed (Agro-chemicals trading):

	01 July 2021 to 30 June 2022		01 July 2020 to 30 June 2021	
	Tk. '000	%	Tk. '000	%
Import	14,966	79	20,740	79
Indigenous	3,978	21	5,513	21
	<u>18,944</u>	<u>100</u>	<u>26,253</u>	<u>100</u>
Raw and Packing Materials(29.04)	16,770		24,090	
Store and Spares	2,174		2,163	
	<u>18,944</u>		<u>26,253</u>	

31.06 Value of purchase/ Manufactured of Agro-Chemicals Products

	01 July 2021 to 30 June 2022		01 July 2020 to 30 June 2021	
	Tk. '000	%	Tk. '000	%
Import	311,522	90	77,522	90
Indigenous	34,614	10	8,614	10
	<u>346,136</u>	<u>100</u>	<u>86,136</u>	<u>100</u>

Reasons for variance:

Quantity of production decreased during the year due to fall in market demand.

32.00 Earnings Per Share

Basic earnings per share (EPS)

Earnings attributable to the ordinary shareholders (Tk.)

(b) Number of ordinary shares at the end of the year

Basic earnings per share (EPS)

Taka in '000	
01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
2,403,797	2,286,025
98,232,750	98,232,750
<u>Tk. 24.47</u>	<u>Tk. 23.27</u>



33.00 Directors' Fees and Expense

Details of Directors' fees & expenses paid during the year are as follows:

Name of the Directors and Managing Director	Net Amount	VAT	Gross Amount (Tk.)
Mr. Md Mahbub Hossain (Chairman)	48,000	7,200	55,200
Mr. Md Anisur Rahman (Ex Chairman)	64,000	9,600	73,600
Mr Bashudev Gangguly (Independent Director)	48,000	7,200	55,200
Mr. Md. Ekhlasur Rahman (Ex Director)	40,000	6,000	46,000
Mr Kabirul ezdani Khan (Director)	72,000	10,800	82,800
Dr. Mohd. Sher Ali (Director)	104,000	15,600	119,600
Mr. Quazi Md. Anwarul Hakim (Independent Director)	112,000	16,800	128,800
Mr. Kazi Mohammad mozammel Hoque (Director)	112,000	16,800	128,800
Mr. K.M. Eneyetul Karim (Ex. Independent Director)	56,000	8,400	64,400
Mr. Nasir Uddin Akhter Rashid (Shareholder Director)	112,000	16,800	128,800
Mr. Suzadur Rahman (Director)	112,000	16,800	128,800
Mr. Md. Masudur Rahman (Ex. Managing Director)	112,000	16,800	128,800
	992,000	148,800	1,140,800

Directors' fees paid-gross
Meeting expenses

Taka in '000	
01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
1,141	1,408
1,809	1,224
2,950	2,632

34.00 Remuneration of MD, Managers and Officers:

	Taka in '000			Taka in '000		
	01 July 2020 to 30 June 2022			01 July 2020 to 30 June 2021		
	MD	Managers	Officers	MD	Managers	Officers
34.01 Remuneration:						
Salary, allowances and	2217	96,919	82,689	2132	92,304	90,868
House rent allowance:						
House rent	1,192	25,219	45,266	1,146	24,018	49,743
Other utilities	379	7,396	8,071	364	7,044	8,870
	1,571	32,615	53,337	1,510	31,062	58,613
Leave encashment	251	3,537	4,704	241	3,369	5,170
Provident fund	271	5,430	6,559	261	5,171	7,208
	4,310	138,501	147,289	4,144	131,906	161,859
Number of Employees	1	53	174	1	53	174

34.02 House Rent Accommodation

The Managing Director, Managers and Officers are paid cash allowance.
6 Managers are provided with free furnished accommodation.

34.03 Transport

The Managing Directors and Departmental Heads are provided with free use of Company's car subject to limit.
Other Managers are paid cash assistance, subject to limit.
Officers are paid cash allowances.

34.04 Telephone

Residential telephone for mainly Company's business- for Managing Director and Managers, subject to limit.

34.05 Medical

The Managing Director, Managers and Officers are provided with free medical facilities according to company policy.

34.06 Insurance

The Managing Director, Managers and Officers are provided with coverage for group insurance according to the company policy.

34.05 Remuneration

The Directors other than the Managing Director, who is an ex-officio director, are not paid any remuneration except for fees and expenses in connection with attending to Company's Board Meeting.

35.00 Employees

Number of Employees whose salary was Tk. 3,000 below
Number of Employees whose salary was Tk. 3,000 or above

Taka in '000	
01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
-	-
930	959
930	959

36.00 Expenditure in foreign currency at equivalent BDT

Aviation service fee to Shell International Petroleum Company Ltd. (SIPCL)

23,000	20,000
23,000	20,000

37.00 Related Party Transactions

During the year, the company carried out a number of transaction with related parties in the normal course of business and on an arms length basis. The name of these related parties, nature of transactions and balance as at 30.06.2022 in accordance with the provisions of IAS-24 are presented below:

Name of the Parties	Relationship	Nature of Transactions	Balance as on 30 June 2022
Bangladesh Petroleum Corporation (BPC)	Parent Concern	Multiple Business	74,983,970(Cr) 19,882,950(Dr)
Eastern Refinery Limited	Subsidiary of BPC	Product Refine	12,380(Dr)
Eastern Lubricants Blenders Ltd.	Subsidiary Company	Blending of Products	37,896(Dr)
Standard Asiatic Oil Company Limited	Subsidiary of BPC	Product Exchange	293,577(Dr) -
Meghna Petroleum Limited	Subsidiary of BPC	Product Exchange	380,486(Dr) 6,887(Cr)
Jamuna Oil Company Limited	Subsidiary of BPC	Product Exchange	374,574(Dr) 93,796(Cr)
Liquified Petroleum Gas limited	Subsidiary of BPC	Product Supply	6,286(Dr) 30,717(Cr)

Details of transactions

Name of the Parties	Opening Balances	Provided during the year	Adjusted during the year	Closing Balance
Bangladesh Petroleum Corporation (BPC)	53,228,704(Cr) 15,135,637(Dr)	209,109,543 31,120,395	187,354,277 26,697,457	74,983,970(Cr) 19,882,950(Dr)
Eastern Refinery Limited	11,241(Dr)	1,171	32	12,380(Dr)
Eastern Lubricants & Blenders Ltd.	16,438(Dr)	93,809	72,351	37,896(Dr)
Standard Asiatic Oil Company Ltd	224,626(Dr) 247,352(Cr)	68,960 -	9 247,352	293,577(Dr) -
Meghna Petroleum Limited	416,669(Dr) 6,887(Cr)	38,820 -	149,252 -	380,486(Dr) 6,887(Cr)
Jamuna Oil Company Limited	613,016(Dr) 99,005(Cr)	10,816 -	249,258 5,211	374,574(Dr) 93,796(Cr)
Liquified Petroleum Gas Limited	6,237(Dr) 27,128(Cr)	57 132,887	8 129,298	6,286(Dr) 30,717(Cr)



		Taka in '000	
		30 June 2022	30 June 2021
38.00 Contingent Assets			
Interest realizable for delayed payment from BIMAN & BCIC		8,537,478	8,537,478
Claims realizable from Bangladesh Railway		32,774	32,774
Amount realizable from BPC on account of sale of Jet-A1 to the foreign Airlines.		43,589	43,589
		8,613,841	8,613,841
39.00 Contingent liabilities			
i) Guarantees issued by the company's bankers to third parties on counter indemnities given by the company against the bankers limit at Tk. One Crore secured by hypothecation over the company's inventories and book debts.		901	901
ii) Confirmed irrevocable letters of credit (net of margin) opened by the banks-having bankers limit at Tk. 10 crores, secured by hypothecation over the inventories and book debts of the company.		48,071	31,036
		48,972	31,937
40.00 Capital Commitments			
Authorized but not contracted		1,602,214	417,471
Authorized and Contracted for but not provided-pending execution		2,137,405	2,201,666
Order for local supplies services pending execution		79,348	56,688
		3,818,967	2,675,825
41.00 Net asset value per Share			
The composition of Net Assets value per share is given below :			
Net Assets Value on the reporting date (Taka)		17,719,374	16,543,486
Number of Ordinary shares at the end of year		98,232,750	98,232,750
Weighted Average Number of Ordinary shares during the year		98,232,750	98,232,750
Net Asset Value (NAV) per share		Tk. 180.38	Tk. 168.41
42.00 Operating cash flow per share			
The composition of Operating Cash Inflow/(Outflow) value per share is given below :			
i) Operating Cash Inflow/(Outflow) during the year (Tk)		9,641,670	268,258
ii) Number of Ordinary shares at the end of year		98,232,750	98,232,750
Operating Cash Inflow / (Outflow) per share		Tk. 98.15	Tk. 2.73
43.00 Reconciliation of net income with cash flows from operating activities			
Net profit before tax		2,985,319	2,926,306
Adjustments:			
Depreciations		218,243	212,765
Interest income		(2,570,792)	(2,626,440)
(Gain)/loss on sale of PPE		961	(1,051)
		633,731	511,580
(Increase)/Decrease in Current Assets:			
Inventories		1,064,415	3,199,613
Accounts receivable excluding FDR and SND interest		(1,749,231)	1,328,199
Due from affiliated companies		(4,564,285)	(4,032,943)
Accrued interest		196,797	(84,146)
Advances, deposits and pre-payments		(2,296,139)	(62,294)
Increase/(Decrease) in Current Liabilities:			
Accounts payable		(4,061,433)	4,159,573
Supplies and expenses payable		(383,589)	(204,322)
Due to affiliated companies		21,506,295	(3,859,399)
Other liabilities		58,945	(53,948)
		9,771,775	390,334
Income Tax paid		(763,837)	(633,656)
Net cash flow from operating activities		9,641,670	268,258

44.00 The quantum of potential liability at the reporting date for the value of employees unutilized earned leave has neither been ascertained nor any provision therefor been made in the financial statements.

45.00 Events after reporting period

The Board of Directors in their meeting held on 08 November 2022 recommended 125% cash dividend (Tk. 1,227,909,000) @ Tk. 12.50 per share for the year ended 30 June 2022.

46.00 Financial risk management

The Company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The company has exposure at the following areas of risk.

- a) Credit risk
- b) Liquidity risk
- c) Market risk

46.01 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of petroleum and agro-chemical produced. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Credit sales as compared to the total sales are insignificant. Government institutions are allowed to purchase on credit.

46.02 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Taka in '000	
	30 June 2022	30 June 2021
Accounts receivables	18,732,114	16,982,883
Due from affiliated companies	20,988,149	16,423,864
Advance, deposit & prepayments	2,505,390	209,251
Cash and bank balance	38,967,515	39,065,100
	81,193,168	72,681,098

46.03 Ageing of accounts receivables

Less than 6 months	1,956,341	884,111
6 months or above but less than 12 months	1,821,502	1,415,314
1 year or above but less than 2 years	1,355,674	1,084,861
2 years or above	13,598,597	13,598,597
	18,732,114	16,982,883

46.04 Ageing of due from affiliated entities/ companies

Less than 1 year	17,624,295	13,599,131
1 year or above but less than 2 years	-	-
2 years or above but less than 5 years	19	19
5 years or above but less than 10 years	648,270	135,665
10 years or above	2,715,565	2,689,051
	20,988,149	16,423,866



46.05 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

In Taka '000	Note	Carrying amount					
		Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortised costs	Other financial liabilities	Total
30 June 2022							
Financial Assets not measured at fair value:							
Accounts receivable	10.00	-	-	-	18,732,114	-	18,732,114
Due from affiliated companies	11.00	-	-	-	20,988,149	-	20,988,149
Investments in FDRs	6.00	-	-	-	1,775,221	-	1,775,221
Long term deposits	12.02.01	-	-	-	11,672	-	11,672
Short term deposits	10.04	-	-	-	2,362,531	-	2,362,531
Cash at bank	11.02	-	-	-	29,981,036	-	29,981,036
		-	-	-	73,850,723	-	73,850,723
Financial Liabilities not measured at fair value:							
Accounts payable	18.00	-	-	-	-	11,017,956	11,017,956
Long Term Loan	17.00	-	-	-	-	183,463	183,463
Due to affiliated companies	20.00	-	-	-	-	75,115,370	75,115,370
Other liabilities	21.00	-	-	-	-	4,284,863	4,284,863
		-	-	-	-	90,601,652	90,601,652
30 June 2021							
Financial Assets measured at fair value:							
Financial Assets not measured at fair value:							
Accounts receivable	10.00	-	-	-	16,982,883	-	16,982,883
Due from affiliated companies	11.00	-	-	-	16,423,864	-	16,423,864
Investments in FDRs	6.00	-	-	-	1,614,304	-	1,614,304
Long term deposits	12.02.01	-	-	-	11,672	-	11,672
Short term deposits	10.04	-	-	-	58,759	-	58,759
Cash at bank	11.02	-	-	-	22,935,765	-	22,935,765
		-	-	-	58,027,247	-	58,027,247
Financial Liabilities not measured at fair value:							
Accounts payable	18.00	-	-	-	-	15,079,389	15,079,389
Long Term Loan	17.00	-	-	-	-	183,463	183,463
Due to affiliated companies	20.00	-	-	-	-	53,609,075	53,609,075
Other liabilities	21.00	-	-	-	-	4,225,918	4,225,918
		-	-	-	-	73,097,845	73,097,845

46.06 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The following are the contractual or legal maturities of financial liabilities :

	Taka in '000	
	30 June 2022	30 June 2021
Liability for trading supplies and services	11,017,956	15,079,389
Liabilities for supplies and expenses	3,377,936	3,761,525
Customers' and agents' credit balances	1,900,420	1,878,057
Employee's pension fund	136,814	114,859
Employee's fund others	(6,648)	32,895
Security deposits	192,197	170,565
Tax deducted at source	115	-
Employees' personal accounts	59,179	53,030
Liabilities for Capital Expenditure	70,258	23,734
Workers' Profit Participation and Welfare Funds	157,122	154,016
Others	1,775,407	1,798,762
	18,680,755	23,066,832

46.07 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

46.08 Exposure to currency risk

There was no exposure to foreign currency risk on the reporting date.

46.09 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. However the company do not have any outstanding bank borrowings on the reporting date thus they are not exposed to any interest rate risk. But the company has taken a loan from the Govt. of Bangladesh of BDT 110,078,000 with a fixed interest rate of 5 %.

47.00 Significant Deviation in Earning per Share (EPS):

Due to fall of other operating income, non operating income and net operational gain during the year 2021-2022 as a consequence Earning Per Share (EPS) decreased comparing with the previous year.

48.00 Significant Deviation in Net Operating Cash Flow per Share (NOCFPS):

Net Operating Cash Flows per Share (NOCFPS) has been decreased mainly due to decrease of total collection from customers as compared to the previous financial year.

49.00 GENERAL

Figures appearing in these accounts have been rounded off to the nearest thousand taka.

Previous year's phrases & amounts have been restated and re-arranged, wherever considered necessary, to conform to the presentation for the period under review.

Company Secretary

CEO & Managing Director

Independent Director

Director