

**Private and Confidential**

**Auditors' Report  
&  
Audited Financial Statements**

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**Padma Oil Company Limited**

For the year ended 30<sup>th</sup> June, 2021



**Rahman Mostafa Alam & Co.**  
Chartered Accountants

**Rahman Mostafa Alam & Co.**

*Chartered Accountants*



**Khan Wahab Shafique Rahman & Co.**

*Chartered Accountants*

**Branch Office (Chattagram):**

Al-Madina Tower, (6th floor),  
88/89, Agrabad C/A, Chattogram-4100.

**BRANCH OFFICE:**

FARUK CHAMBER (9<sup>TH</sup> FLOOR),  
1403 SK. MUJIB ROAD, AGRABAD, CHATTOGRAM

## Independent auditor's 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 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the company as at 30 June 2021, and of its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition - sale of goods	
Refer to note 23 and 3.10	
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.	<ul style="list-style-type: none"><li>- We understood, evaluated and validated the key controls related to the Group's and 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.</li><li>- 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.</li></ul>



<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.</p>	<p>- 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.</p>
<p>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.</p>	<p>- Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods.</p>

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"> <li>- Assessing the consistency of methodologies used for depreciating the assets;</li> <li>- Checking, on a sample basis, the accuracy and relevance of the accounting of PPE by management; and</li> <li>- For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost.</li> <li>- Examined management's periodic review of property, plant and equipment for determination of impairment and obsolescence.</li> </ul>

Recognition and measurement of deferred taxes	
Refer to note 14.00 and 3.09	
The key audit matter	How the matter was addressed in our audit
<p>The company recognizes deferred taxes relating to property, plant and equipment (including revalued assets), investments in subsidiaries and associate, employee benefits, convertible bond, unabsorbed depreciation etc. which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment 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"> <li>- Assessed the design, implementation and operating effectiveness of key controls in respect of the Group's and the Company's process of recognition of deferred taxes;</li> <li>- Using our own tax specialists to evaluate the tax bases and Group's tax strategy.</li> <li>- Assessed the accuracy and completeness of deferred tax; and</li> <li>- Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgements and sensitivities.</li> </ul>



## 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.

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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 Group and 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.

## Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) 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
- d) the expenditure incurred was for the purposes of the Company's business.

Rahman Mostafa Alam & Co.  
Chartered Accountants



Signed By:-  
**Arafat Kamal FCA (1184)**  
Date: 29 December 2021  
Place: Chattogram  
DVC: 2112291184AS221704



Khan Wahab Shafique Rahman & Co.  
Chartered Accountants



Signed By:-  
**Mohammad Shaheed FCA (1016)**  
Date: 29 December 2021  
Place: Chattogram  
DVC: 2112291016AS365092



**Padma Oil Company Limited**  
**Statement of Financial Position**  
**As at 30 June 2021**

		Taka in '000	
	Note(s)	30 June 2021	30 June 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,739,546	1,784,043
Capital work-in-progress	5	659,834	536,933
Investment - Long Term (FDR)	6	1,601,330	-
Investment - Depreciation Fund (FDR)	6.01	1,614,304	1,379,885
		<b>5,615,014</b>	<b>3,700,861</b>
<b>Current assets</b>			
Inventories	7	15,798,618	18,998,231
Accounts receivable	8	16,982,883	18,311,082
Due from affiliated companies	9	16,423,864	12,390,920
Advances, deposits and pre-payments	10	209,251	146,957
Cash and cash equivalents	11	39,065,100	39,429,162
		<b>88,479,716</b>	<b>89,276,352</b>
<b>TOTAL ASSETS</b>		<b>94,094,730</b>	<b>92,977,213</b>
<b>Shareholders' equity</b>			
Share capital	12	982,327	982,327
Depreciation Fund Reserve (Accumulated Surplus)	13	187,669	101,600
Retained earnings		15,373,490	14,401,443
<b>Total equity</b>		<b>16,543,486</b>	<b>15,485,370</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities:</b>			
Deferred tax liabilities	14	187,245	212,928
Long Term Loan	15	183,463	183,463
		<b>370,708</b>	<b>396,391</b>
<b>Current liabilities</b>			
Accounts payable	16	15,079,389	10,919,816
Supplies and expenses payable	17	3,761,525	3,965,847
Due to affiliated companies	18	53,609,075	57,468,474
Other liabilities	19	4,225,918	4,279,866
Dividend payable	20	178,708	167,836
Income tax payable	21	325,921	293,613
		<b>77,180,536</b>	<b>77,095,452</b>
<b>Total Liabilities</b>		<b>77,551,244</b>	<b>77,491,843</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>94,094,730</b>	<b>92,977,213</b>
<b>Net Asset Value ( NAV ) per share</b>	39	<b>Tk. 168.41</b>	<b>Tk. 157.64</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
Company Secretary

  
CEO & Managing Director

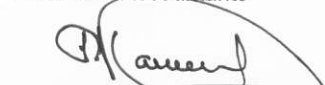
  
Director

  
Director

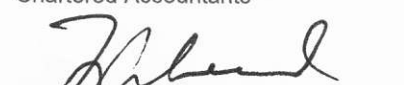
As per our annexed report of same date.

Chattogram, 29 December 2021

Rahman Mostafa Alam & Co.  
Chartered Accountants

  
Arafat Kamal FCA (1184)

Khan Wahab Shafique Rahman & Co.  
Chartered Accountants

  
Mohammad Shaheed FCA (1016)

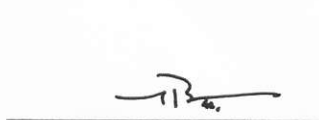



**Padma Oil Company Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2021**

		Taka in '000	
	Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
<b>Gross earnings on Petroleum Products</b>	23	<b>2,161,231</b>	<b>2,158,057</b>
Direct cost on Petroleum Products:			
Packing Charges	23.01	(23,329)	(18,819)
Handling Charges	23.01	(4,398)	(6,380)
		<b>2,133,504</b>	<b>2,132,858</b>
Net Operational (Loss)/Gain	29.01	3,977	51,787
<b>Net earnings on petroleum products</b>		<b>2,137,481</b>	<b>2,184,645</b>
<b>Operating expenses:</b>			
Administrative, selling and distribution expenses	24	(1,903,946)	(2,083,039)
Financial expenses	25	(245,605)	(221,040)
<b>Operating Profit on Petroleum</b>		<b>(12,070)</b>	<b>(119,434)</b>
Other Operating Income	26	452,433	874,128
Operating (loss)/profit on Agro-chemical trading	27	(29,388)	(28,761)
<b>Total Operating Profit</b>		<b>410,975</b>	<b>725,933</b>
Non-operating Income	28	2,669,347	3,103,658
<b>Profit before WPPF</b>		<b>3,080,322</b>	<b>3,829,591</b>
Contribution to Workers' Profits Participation and Welfare Fund		(154,016)	(191,480)
<b>Net Profit before income tax</b>		<b>2,926,306</b>	<b>3,638,111</b>
Provision for Income tax:			
Current tax	21	(665,964)	(892,939)
Deferred tax	14	25,683	(15,535)
<b>Net Profit after tax</b>		<b>2,286,025</b>	<b>2,729,637</b>
Surplus from Investment transfer to Depreciation Fund Reserve		(86,069)	(101,600)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,199,956</b>	<b>2,628,037</b>
<b>Earnings per share (EPS - basic)</b>	30	<b>Tk. 23.27</b>	<b>Tk. 27.79</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
Company Secretary

  
CEO & Managing Director

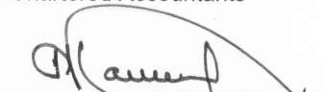
  
Director


As per our annexed report of same date.

Chattogram, 29 December 2021

**Rahman Mostafa Alam & Co.**  
Chartered Accountants

**Khan Wahab Shafique Rahman & Co.**  
Chartered Accountants

  
Arafat Kamal FCA (1184)

  
Mohammad Shaheed FCA (1016)




**Padma Oil Company Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2021**

	Taka '000			
	Share Capital	Retained Earnings	Depreciation Fund Reserve	Total equity
Balance as on 01 July 2019	982,327	13,050,432	-	14,032,759
Cash dividend declared for the year 2018-2019	-	(1,277,026)	-	(1,277,026)
Transferred from depreciation fund	-	-	101,600	101,600
Total comprehensive income for the year	-	2,628,037	-	2,628,037
Balance as at 30 June 2020	982,327	14,401,443	101,600	15,485,370
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

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
Company Secretary

  
CEO & Managing Director

  
Director

  
Director




**Padma Oil Company Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2021**


	Taka in '000	
	30 June 2021	30 June 2020
<b>A. Cash Flows from Operating Activities:</b>		
Receipts from customers and others	157,097,230	236,303,881
Paid to suppliers against petroleum and agro products and others	(156,689,605)	(227,515,501)
Receipts against other income	494,289	923,966
Income tax paid	(633,656)	(840,485)
<b>Net cash (used from)/generated by Operating Activities</b>	<b>268,258</b>	<b>7,947,895</b>
<b>B. Cash Flows from Investing Activities:</b>		
Capital Expenditures	(292,783)	(188,236)
Investment -FDRs	(1,835,749)	(1,379,885)
Interest received from FDR/SND	2,710,588	2,824,897
Proceeds from disposal of property, plant and equipment	2,662	146,171
<b>Net cash (used from)/generated by Investing Activities</b>	<b>584,718</b>	<b>1,402,946</b>
<b>C. Cash Flows from Financing Activities:</b>		
Dividend paid	(1,217,037)	(1,259,069)
<b>Net cash (used from)/generated by Financing Activities</b>	<b>(1,217,037)</b>	<b>(1,259,069)</b>
<b>Total (A + B + C)</b>	<b>(364,062)</b>	<b>(8,091,772)</b>
Opening cash and cash equivalents	39,429,162	31,337,390
Closing cash and cash equivalents	39,065,100	39,429,162
	<b>(364,062)</b>	<b>8,091,772</b>
<b>Operating Cash (Outflow)/Inflow per share (note - 40)</b>	<b>Tk. 2.73</b>	<b>Tk. 80.91</b>

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
Company Secretary

  
CEO & Managing Director

  
Director

  
Director





**Padma Oil Company Limited**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2021**

**1.00 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.

**1.01 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**

These Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987.

**2.02 Basis of reporting**

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

**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 (Effective from 01 July 2019)
- 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, 1987
- 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 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 2021 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2020.

**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 2020 to 30 June 2021 and is followed consistently.



**2.12 Authorization for issue**

These financial statements have been authorized for issue by the Board of Directors on Board Meeting Date 28 December 2021.

**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.

**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.

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 fixed assets, the cost and accumulated depreciation are eliminated, and any gain or loss on such disposal is reflected in the income statement 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>Assets</u>	<u>Rates of depreciation (%)</u>
Leaschold 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 decrepitated 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.

##### Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

##### 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 Statement of Cash Flows**

Statement of Cash Flows is prepared in accordance with IAS 7 (Cash Flow Statement) and the cash flow from operating activities have been presented under direct method.





**3.08 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.

**3.09 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 22.50% 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".

**3.10 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.

**3.11 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.

**3.12 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.

**3.13 Leases**

At inception of an arrangement, the company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.



**3.13.01 Finance Lease**

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

**3.13.02 Operating lease**

Leases that are not finance lease are considered as operating leases and the leased assets are not recognized in the company's Statement of Financial Position. Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

**3.14 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
<b>Cost:</b>								
Opening Balance as at 01 July 2019	6,767	670	805,729	2,007,951	300,585	27,984	177,405	3,327,091
Additions during the year (Note-5.01)	-	-	19,186	229,029	111	815	15,831	264,972
Disposal during the year	-	-	(54,758)	(224)	-	-	-	(54,982)
<b>Balance as at 30 June 2020</b>	<b>6,767</b>	<b>670</b>	<b>770,157</b>	<b>2,236,756</b>	<b>300,696</b>	<b>28,799</b>	<b>193,236</b>	<b>3,537,081</b>
Opening 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)
<b>Balance as at 30 June 2021</b>	<b>6,767</b>	<b>670</b>	<b>804,696</b>	<b>2,350,169</b>	<b>300,696</b>	<b>30,298</b>	<b>205,630</b>	<b>3,698,926</b>

**Accumulated Depreciation:**

Opening Balance as at 01 July 2019	-	670	214,757	971,369	236,200	12,122	127,935	1,563,053
Charged for the year	-	-	25,547	143,610	26,143	1,129	15,533	211,962
Adjusted during the year	-	-	(21,752)	(224)	-	-	-	(21,976)
<b>Balance as at 30 June 2020</b>	<b>-</b>	<b>670</b>	<b>218,552</b>	<b>1,114,755</b>	<b>262,343</b>	<b>13,251</b>	<b>143,468</b>	<b>1,753,039</b>
Opening 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)
<b>Balance as at 30 June 2021</b>	<b>-</b>	<b>670</b>	<b>242,285</b>	<b>1,273,087</b>	<b>277,797</b>	<b>14,410</b>	<b>151,131</b>	<b>1,959,380</b>

**Carrying Amounts:**

As at 30 June 2020	6,767	-	551,605	1,122,001	38,353	15,548	49,768	1,784,042
As at 30 June 2021	<b>6,767</b>	<b>-</b>	<b>562,411</b>	<b>1,077,082</b>	<b>22,899</b>	<b>15,888</b>	<b>54,499</b>	<b>1,739,546</b>

**Depreciation allocated to:**

	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Administrative, Selling and Distribution Expenses (Note-24.00)	209,953	203,654
Agro-chemical (Note-27.00)	2,813	8,308
	<b>212,766</b>	<b>211,962</b>

Taka in '000



		Taka in '000	
		30 June 2021	30 June 2020
<b>5.00 Capital work in Progress</b>			
Opening Balance		536,933	613,669
Addition during the year (Note-5.01)		292,783	188,236
		<b>829,716</b>	<b>801,905</b>
Transferred to property, plant and equipment during the year (Note - 4.00 )		(169,882)	(264,972)
Closing Balance		<b>659,834</b>	<b>536,933</b>

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

Particulars	Balance as at 01 July 2020	Expenditure/ (Recovered) incurred during the year	Transferred to Fixed Assets	Balance as at 30 June 2021
Building	459,299	70,725	(34,539)	495,485
Plant & Machinery	71,810	199,649	(113,484)	157,975
Vehicles	1,324	550	-	1,874
Furniture & Fixtures	-	1,551	(1,551)	-
Other Facilities	4,500	20,308	(20,308)	4,500
<b>As at 30 June 2021</b>	<b>536,933</b>	<b>292,783</b>	<b>(169,882)</b>	<b>659,834</b>
<b>As at 30 June 2020</b>	<b>613,669</b>	<b>188,236</b>	<b>(264,972)</b>	<b>536,933</b>

**6.00 Investment-Long Term(FDR)**

Sonali Bank Ltd	1,601,330	-
	<b>1,601,330</b>	<b>-</b>

Tenure is 12 months, Interest Rate is 6.00%

**6.01 Investment - Depreciation Fund (FDR)**

Janata Bank Limited	262,909	352,290
BASIC Bank Limited	294,819	275,911
Agrani Bank Limited	395,241	-
Bangladesh Krishi Bank Limited	-	60,000
First Security Islami Bank Limited	-	209,741
Premier Bank limited	206,220	-
National Bank Limited	-	104,640
Union Bank Limited	271,070	156,052
NRB Global Bank Limited	184,045	221,251
	<b>1,614,304</b>	<b>1,379,885</b>

\*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 is 3 - 12 months, Interest Rate is 6.00%

**7.00 Inventories**

**A. Stock-In-Trade (Petroleum products)**

Major products (Note - 29.00)	14,557,584	17,565,780
Minor products	556,816	713,268
Freight	139,450	155,965
	<b>15,253,850</b>	<b>18,435,013</b>

**B. Agro-chemical products**

Finished products (Note - 27.01)	336,048	310,354
Raw material	2,023	2,023
In transit	130	260
	<b>338,201</b>	<b>312,637</b>

**C. Stores**

In stock	69,921	79,444
In transit	1,035	2,995
	<b>70,956</b>	<b>82,439</b>



		Taka in '000	
		30 June 2021	30 June 2020
<b>D. Packing materials</b>		135,611	168,143
		<u>135,611</u>	<u>168,143</u>
<b>Total ( A + B + C +D)</b>		<u><b>15,798,618</b></u>	<u><b>18,998,231</b></u>
<b>8.00 Accounts Receivable</b>			
Accounts receivable - Petroleum products*		16,386,484	17,734,877
Accounts receivable - Agro-chemical products*		69,873	81,794
		<u>16,456,357</u>	<u>17,816,671</u>
Other receivables		661,423	629,308
		<u>17,117,780</u>	<u>18,445,979</u>
Provision for Bad debts against trade account receivable (Note -		(134,897)	(134,897)
		<u><b>16,982,883</b></u>	<u><b>18,311,082</b></u>
<b>8.01</b>	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. * Accounts Receivable (Petroleum Products) includes outstanding Tk.14,327,228,719. 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.		
<b>9.00 Due from Affiliated Entities / Companies (note:43.04) (note: 35)</b>			
Bangladesh Petroleum Corporation (BPC) ( Note - 35.00 )		15,135,637	10,869,522
Eastern Refinery Limited		11,241	10,405
Eastern Lubricant and Blenders Limited		16,438	53,487
Standard Asiatic Oil Company Ltd		224,626	82,059
Liquified Petroleum Gas Limited		6,237	6,189
Meghna Petroleum Limited		416,669	683,907
Jamuna Oil Company Limited		613,016	685,351
		<u><b>16,423,864</b></u>	<u><b>12,390,920</b></u>
<b>10.00 Advances, Deposits and Pre-payments</b>			
<b>Advances:</b>			
Advance to employees (Note - 10.01)		82,938	90,540
Advance against expenses (Note - 10.02)		31,513	28,682
		<u><b>114,451</b></u>	<u><b>119,222</b></u>
<b>Deposits:</b>			
Long term deposits (Note - 10.03)		11,672	9,526
Short term deposits (Note - 10.04)		58,759	(825)
		<u><b>70,431</b></u>	<u><b>8,701</b></u>
<b>Prepayments:</b>			
Insurance premium		4,055	4,101
Rent, rates and taxes		20,314	14,933
		<u><b>24,369</b></u>	<u><b>19,034</b></u>
		<u><b>209,251</b></u>	<u><b>146,957</b></u>
<b>10.01 Advances to employees</b>			
Employees' car advances		1,407	2,054
Employees' personal accounts		952	722
Festival advances		40,644	43,070
House building advances		39,935	44,694
		<u><b>82,938</b></u>	<u><b>90,540</b></u>
Advance to employees represents amount of advances recoverable in cash from employees by the company.			
<b>10.02 Advances against expenses</b>			
Employees' travelling expenses		1,063	1,067
Contractors for supplies		13,882	10,262
Advance to carriers		16,568	17,353
		<u><b>31,513</b></u>	<u><b>28,682</b></u>
Advances against expenses represents amount of advances to employees, various parties which will be adjusted in the subsequent years.			





		Taka in '000	
		30 June 2021	30 June 2020
<b>10.03 Long term deposits</b>			
Security deposits against telephone		106	106
Security deposits against electricity supply		1,113	1,113
Sundry security deposits		10,430	8,284
Security deposits against chemicals		23	23
		<u>11,672</u>	<u>9,526</u>
<b>10.04 Short term deposits</b>			
Deposits against franking machine		3	14
Deposits against duty		58,756	(839)
		<u>58,759</u>	<u>(825)</u>
<b>11.00 Cash and Cash Equivalent</b>			
Cash in hand (Note - 11.01)		1,078	1,088
Remittance in transit (Through Pay Order)		985,128	678,764
Cash at banks (Note - 11.02)		22,935,765	23,418,290
Fixed deposit receipts (Note - 11.03)		15,143,129	15,331,020
		<u>39,065,100</u>	<u>39,429,162</u>
<b>11.01 Cash in hand</b>			
Head office		539	568
Depot		539	520
		<u>1,078</u>	<u>1,088</u>
<b>11.02 Cash at banks</b>			
Short notice deposit (SND) (Note - 11.02.01)		22,564,838	23,329,448
Current account (Note - 11.02.02)		339,466	80,466
Collection account (Note - 11.02.03)		7,096	1,857
Dividend account (Note - 11.02.04)		24,365	6,519
		<u>22,935,765</u>	<u>23,418,290</u>
<b>11.02.01 Short notice deposit (SND)</b>			
AB Bank Ltd.		1,830,510	1,365,498
Agrani Bank Ltd.		149,300	127,933
Bank Asia Ltd.		24,147	32,106
Brac Bank Ltd.		288,364	289,323
Citybank NA		25,099	21,396
Eastern Bank Ltd.		2,151,069	2,085,288
Janata Bank Ltd.		203,048	674,624
Mercantile Bank Ltd.		4,349,884	4,193,044
One Bank Ltd.		4,458,165	5,453,440
Prime Bank Ltd.		368,639	225,907
Pubali Bank Ltd.		1,793,732	302,908
Sonali Bank Ltd.		45,964	53,994
Standard Chartered Bank		148,840	62,334
NCC Bank Ltd.		784,005	4,960,542
NRB Bank Ltd.		1,859,880	155,931
HSBC Ltd.		352,145	725,407
Trust Bank Ltd.		39,591	1,454,259
United Commercial Bank Ltd.		3,692,456	1,145,512
		<u>22,564,838</u>	<u>23,329,448</u>
<b>11.02.02 Current account</b>			
Janata Bank Ltd.		124,894	41,133
Sonali Bank Ltd.		5	5
Mercantile Bank Ltd.		168,216	-
Standard Chartered Bank		46,351	39,328
		<u>339,466</u>	<u>80,466</u>



Rahman Mostafa Alam & Co.  
Chartered Accountants

Khan Wahab Shafique Rahman & Co.  
Chartered Accountants

**11.02.03 Collection account**

United Commercial Bank Limited  
Pubali Bank Ltd.

**11.02.04 Dividend account**

Standard Chartered Bank

**11.03 Fixed deposit receipts ( FDR )**

AB Bank Ltd.  
Agrani Bank Ltd.  
Bangladesh Krishi Bank  
Bangladesh Commerce Bank Ltd.  
BASIC Bank Ltd  
First Security Islami Bank Ltd.  
IFIC Bank Ltd.  
ICB  
Janata Bank Ltd.  
Global Islami Bank Ltd.  
National Bank Ltd  
Premier Bank Ltd  
Rupali Bank Ltd.  
Social Islami Bank Ltd.  
Standard Bank Ltd.  
Union Bank Ltd.  
Rajshahi Krishi Bank  
Community Bank Limited  
BDIB  
Dhaka Bank Limited

Taka in '000	
30 June 2021	30 June 2020
661	-
6,435	1,857
<b>7,096</b>	<b>1,857</b>
24,365	6,519
<b>24,365</b>	<b>6,519</b>
465,431	1,265,727
1,306,529	654,015
1,256,090	600,000
-	107,612
309,128	105,126
-	857,117
451,350	721,067
692,716	646,854
4,773,545	2,568,371
1,477,815	1,037,061
206,383	518,890
1,152,419	313,402
750,000	3,063,007
518,556	954,993
-	713,938
1,372,722	1,203,841
206,035	-
103,060	-
50,675	-
50,675	-
<b>15,143,129</b>	<b>15,331,020</b>

Tenure is 3 - 6 months, Interest Rate is 6.00%



12.00 Share Capital

No. of Shares

Authorized capital:

100,000,000 Tk. 10 each

Taka in' 000  
30 June 2021 30 June 2020

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
<b>98,232,750</b>		<b>982,327</b>	<b>982,327</b>

12.01 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding %
Less than 500	6,775	991,100	1.01
From 500 to 5,000	2,453	3,823,383	3.89
From 5,001 to 10,000	180	1,296,835	1.32
From 10,001 to 20,000	99	1,447,823	1.47
From 20,001 to 30,000	32	806,829	0.82
From 30,001 to 40,000	22	783,092	0.80
From 40,001 to 50,000	11	499,844	0.51
From 50,001 to 100,000	22	1,676,116	1.71
From 100,001 to 1000,000	45	11,365,703	11.57
From 1,000,001 and above	9	75,542,025	76.90
<b>Total</b>	<b>9,648</b>	<b>98,232,750</b>	<b>100.00</b>

12.02 Composition of Shareholders

Name of shareholders	As at 30 June 2021		As at 30 June 2020	
	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	23,405,862	23.83	21,961,520	22.36
Investment Corporation of Bangladesh	9,311,651	9.48	9,210,138	9.38
Foreign Investors	879,240	0.90	1,265,512	1.29
Individuals (Bangladeshi)	15,180,331	15.45	16,339,914	16.63
<b>Total</b>	<b>98,232,750</b>	<b>100.00</b>	<b>98,232,750</b>	<b>100.00</b>



**13.00 Depreciation Fund Reserve**

Opening Balance  
Net surplus from investment (13.01)

Taka in '000	
30 June 2021	30 June 2020
101,600	-
86,069	101,600
<b>187,669</b>	<b>101,600</b>

**13.01 Surplus From Investment**

Excess of Income Over Expenditure  
Beneficiaries Profit Participation Fund

Provision for Taxation @22.50%

116,902	142,596
(5,845)	(7,129)
111,057	135,467
(24,988)	(33,867)
<b>86,069</b>	<b>101,600</b>

**14.00 Deferred tax liabilities**

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of fixed assets and their respective tax bases:

Opening balance	212,928	197,393
Provided / (adjusted) for the year	(25,683)	15,535
Closing balance	<b>187,245</b>	<b>212,928</b>

**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
(a) As at 30 June 2021			
Property, plant and equipment	1,739,546	907,344	832,202
Deferred tax liability (Tax Rate - 22.50%)			<b>187,245</b>
(b) As at 30 June 2020			
Property, plant and equipment	1,784,041	932,331	851,710
Deferred tax liability (Tax Rate - 25%)			<b>212,928</b>

**15.00 Long Term Loan**

Loan Account - Storage Tank at GDL  
Equity Account - Storage Tank at GDL

110,078	110,078
73,385	73,385
<b>183,463</b>	<b>183,463</b>

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.

**16.00 Accounts payable**

Other supplies  
Other charges

14,596,045	10,667,274
483,344	252,542
<b>15,079,389</b>	<b>10,919,816</b>



**17.00 Supplies and expenses payable**

	Taka in '000	
	30 June 2021	30 June 2020
Revenue charges	3,665,695	3,818,082
Duty, rates and taxes	92,831	75,720
Royalty	-	71,123
Employees' remuneration	2,999	922
	<b>3,761,525</b>	<b>3,965,847</b>

**18.00 Due to affiliated entities / companies**

Bangladesh Petroleum Corporation (BPC)	53,228,704	57,315,086
Meghna Petroleum Limited	6,887	-
Jamuna Oil Company Limited	99,005	118,199
Standard Asiatic Oil Company Limited	247,352	-
Liquefied Petroleum Gas Limited	27,127	35,189
	<b>53,609,075</b>	<b>57,468,474</b>

**19.00 Other Liabilities**

Advance against sales from Customers and Agent	1,878,057	1,426,369
Employees' pension fund (Note - 19.01)	114,859	488,034
Employees' fund-others	32,895	59,479
Security deposits	170,565	163,927
Tax deducted at source	-	37
Employees' personal accounts *	53,030	50,021
Liabilities for Capital Expenditure	23,734	67,212
Workers' Profit Participation and Welfare Funds	154,016	191,480
Others*	1,798,762	1,833,307
	<b>4,225,918</b>	<b>4,279,866</b>

\* Amounts due to Managers and Officers of the company.

\* Others included, amount received from Eastern Refinery Limited for lease of land Tk. 1,539,675,244.

**19.01 Employees' Pension Fund**

Opening balance	<b>488,034</b>	<b>155,526</b>
Provision made during the year according to actuarial valuation	288,818	739,465
	<b>776,852</b>	<b>894,991</b>
Payment to pension fund made during the year	661,993	406,957
Closing balance	<b>114,859</b>	<b>488,034</b>

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:**

Salary growth	5%
Return on investment	6%





Taka in '000	
30 June 2021	30 June 2020

**20.00 Dividend payable**

Unclaimed Dividend (Note - 20.02)	177,210	166,338
Fractional Dividend (Note - 20.03)	1,498	1,498
	<b>178,708</b>	<b>167,836</b>

The Company has transferred an amount of Tk. 124,956,044.90 to Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) vide as per notification no- BSEC/CMRRCD/2021-391/20/Admin/121 dated 27 June, 2021 to fulfil it's requirement to transfer the unclaimed dividend remain unpaid for three (3) years or more as at 27/09/2021.

**20.01 Dividend paid during the year**

Opening balance	<b>166,338</b>	<b>148,381</b>
Cash Dividend for the year 2019-2020 & 2018-2019	1,227,909	1,277,026
	<b>1,394,247</b>	<b>1,425,407</b>
Closing balance (Note - 20.02)	(177,210)	(166,338)
<b>Dividend paid during the year</b>	<b>1,217,037</b>	<b>1,259,069</b>

**20.02 Liability for unclaimed dividend**

Remained unclaimed on account of Individuals (Bangladeshi)

**Dividend outstanding for the years:**

2020	17,594	-
2019	17,205	18,663
2018	16,660	17,819
2017	14,099	15,037
2016	17,016	17,826
2015	14,252	15,063
2014	31,704	32,518
2013	14,633	15,298
2012	8,632	8,660
2011	11,357	11,377
2010	6,051	6,067
2009	1,745	1,745
2008	853	853
2007 or before	5,409	5,412
	<b>177,210</b>	<b>166,338</b>

**20.03 Liability for unclaimed fractional dividend**

Remained unclaimed on account of Individuals (Bangladeshi)

**Dividend outstanding for the years:**

2013	202	202
2012	136	136
2011	105	105
2010	14	14
1996	1,041	1,041
	<b>1,498</b>	<b>1,498</b>



		Taka in '000	
		30 June 2021	30 June 2020
<b>21.00 Income tax payable / (receivable)</b>			
Opening Balance		293,613	241,160
Provision made during the year:			
For current year		665,964	892,939
Settlement of previous year's tax liability		(145,048)	(139,184)
		<u>814,529</u>	<u>994,915</u>
<b>Payment made during the year:</b>			
Tax deducted at source on supplying petroleum (U/S 52)		(170,129)	(232,218)
Tax deducted at source on interest on FDRs and other accounts (U/S 53F)		(270,591)	(282,486)
Tax deducted at source on import (U/S 53)		(12,888)	(6,598)
Advance tax (U/S 64)		(35,000)	(180,000)
		<u>(488,608)</u>	<u>(701,302)</u>
<b>Closing Balance</b>		<u><b>325,921</b></u>	<u><b>293,613</b></u>

		30 June 2021		30 June 2020	
		Rate	Taka	Rate	Taka
Profit for the year			2,926,306		3,638,111
Total income tax expenses		22.76%	665,964	24.54%	892,939
Factors effecting the tax charge for current period:					
Income tax using the company's domestic tax rate		22.50%	658,419	25.00%	909,528
Excess of tax depreciation over accounting depreciation		0.20%	5,835	-0.28%	(10,041)
Effect of Taxable Perquisites - u/s 30(e) of ITO 1984		0.06%	1,710	0.07%	2,571
Effect of Fiscal profit on disposal of Fixed Assets		0.00%	-	-0.25%	(9,119)
		<u>22.76%</u>	<u>665,964</u>	<u>24.54%</u>	<u>892,939</u>

**22.00 Position of Pending Tax Assessments**

Accounting Year	Assessment Year	(Recoverable) / Payable as per order of Tax Department	Remarks
Taka in '000			
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		
To	To	-	Return submitted U/S 82BB
2018-19	2019-20		
2019-20	2020-21	-	Return submitted U/S 82BB
2020-21	2021-22	-	Return yet to be submitted
		<u><b>275,573</b></u>	



Taka in '000		
	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
<b>23.00 Gross earnings on Petroleum Product</b>		
Turnover (Note 23.02)	159,348,286	152,089,965
Cost of goods sold (Note 23.02)	(157,187,055)	(149,931,908)
<b>Gross Earnings (Note 23.01)</b>	<b>2,161,231</b>	<b>2,158,057</b>

**23.01 Gross Earnings**

i Major Products	Gross Earnings	Packaging	Handling	Operational Gain/(Loss)	Net earnings	Net earnings
HOBC	105,038	-	(218)	(17,863)	86,957	78,122
Jet A-1	509,656	-	(482)	6,111	515,285	752,185
JP5	986	-	-	-	986	(4,930)
MS	200,268	-	(283)	(36,419)	163,566	87,388
SKO	18,238	-	(68)	(8,360)	9,810	15,910
HSD	802,915	-	(2,920)	26,006	826,001	771,343
LDO	248	-	(1)	-	247	159
FO	110,219	-	(347)	38,140	148,012	97,946
LSFO	10,366	-	(11)	(1,117)	9,238	-
JBO	1,772	-	(8)	(868)	896	901
MTT	2,868	-	(7)	(1,509)	1,352	3,283
SBP	479	-	(1)	(144)	334	275
<b>Sub Total</b>	<b>1,763,053</b>	<b>-</b>	<b>(4,346)</b>	<b>3,977</b>	<b>1,762,684</b>	<b>1,802,582</b>
<b>ii Minor Products</b>						
Lubs & Greases	373,855	(23,329)	(9)	-	350,517	365,547
LPG(Cylinders)	6,333	-	(7)	-	6,326	5,357
Bitumen	3,508	-	(36)	-	3,472	1,902
Other Products	14,482	-	-	-	14,482	9,259
<b>Sub Total</b>	<b>398,178</b>	<b>(23,329)</b>	<b>(52)</b>	<b>-</b>	<b>374,797</b>	<b>382,064</b>
<b>Grand Total</b>	<b>2,161,231</b>	<b>(23,329)</b>	<b>(4,398)</b>	<b>3,977</b>	<b>2,137,481</b>	<b>2,184,646</b>

**23.02 Turnover and Cost of Goods Sold**

	01 July 2020 to 30 June 2021			01 July 2019 to 30 June 2020		
	Quantity	Turnover	Cost of goods sold	Quantity	Turnover	Cost of goods sold
i. Major Products	MT, '000	Tk, '000	Tk, '000	MT, '000	Tk, '000	Tk, '000
HOBC	106	12,276,355	12,171,317	89	10,325,452	10,234,834
Jet A-1	235	12,733,253	12,223,597	343	25,185,069	24,438,728
JP5	-	2,218	1,232	-	(11,088)	(6,158)
MS	138	16,014,716	15,814,448	119	13,849,039	13,732,304
SKO	33	2,674,383	2,656,145	31	2,472,494	2,449,642
HSD	1,420	105,288,565	104,485,650	1,239	91,843,525	91,147,785
LDO	1	33,975	33,727	-	22,603	22,444
FO	169	6,869,891	6,759,672	119	5,416,064	5,334,216
LSFO	5	169,210	158,844	-	-	-
MTT	4	411,667	409,895	4	460,244	458,702
SBP	3	323,708	320,840	5	479,093	473,480
JBO	1	80,598	80,119	1	68,548	67,935
<b>Sub Total</b>	<b>2,115</b>	<b>156,878,539</b>	<b>155,115,486</b>	<b>1,950</b>	<b>150,111,043</b>	<b>148,353,912</b>
<b>ii Minor Products</b>						
Lubs & Greases	4	1,534,781	1,160,926	4	1,428,534	1,044,154
LPG	3	158,977	152,644	3	181,146	175,779
Bitumen	18	752,572	749,064	6	348,449	346,529
Other Products	-	23,417	8,935	-	20,793	11,534
<b>Sub Total</b>	<b>25</b>	<b>2,469,747</b>	<b>2,071,569</b>	<b>13</b>	<b>1,978,922</b>	<b>1,577,996</b>
<b>Grand Total</b>	<b>2,140</b>	<b>159,348,286</b>	<b>157,187,055</b>	<b>1,963</b>	<b>152,089,965</b>	<b>149,931,908</b>



		Taka in '000	
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
<b>24.00 Administrative, Selling and Distribution Expenses</b>			
Salaries, wages and benefits (Note - 24.01)		1,252,697	1,466,259
Depreciation (Note - 4.00)		209,953	203,654
Fuel and power		63,199	55,780
Stores and spares		48,881	34,344
Repairs and maintenance (Note - 24.02)		48,868	42,435
Rent		35,796	41,828
Travelling and conveyance		16,577	17,569
Aviation Service fees paid to Shell (Note - 34.00)		20,000	19,002
Printing and stationery		10,926	9,014
Insurance		7,026	7,905
Legal and professional fees		2,080	1,824
Rates and taxes		6,301	6,789
Advertisement		4,931	5,629
Communication expenses		3,826	3,868
Entertainment		4,078	4,118
Directors' fees and expenses (Note - 31)		2,632	1,700
BPC service charges		700	700
Audit fees		253	253
Other charges (Note - 24.03)		165,722	160,868
		<u>1,904,446</u>	<u>2,083,539</u>
Recoveries of Service charges from E.I.B.L.		(500)	(500)
		<u><b>1,903,946</b></u>	<u><b>2,083,039</b></u>
<b>24.01 Salaries, wages and benefits</b>			
Salaries, wages and bonus		432,716	439,952
Welfare and benefits		507,589	515,267
Contribution to pension fund		280,376	479,603
Contribution to provident fund		32,016	31,437
		<u><b>1,252,697</b></u>	<u><b>1,466,259</b></u>
<b>24.02 Repairs and maintenance</b>			
Plant and Machinery		29,321	25,461
Building		14,660	12,730
Others		4,887	4,244
		<u><b>48,868</b></u>	<u><b>42,435</b></u>
<b>24.03 Other Charges</b>			
Common depot expenses (1/3 share )		4,671	4,798
Security expenses (Police / Ansar)		16,359	15,472
Casual Labour wages		120,888	116,930
AGM expenses		1,565	4,952
CSR(Corp-Social Responsibility)		4,600	3,425
Miscellaneous expenses		17,639	15,364
		<u><b>165,722</b></u>	<u><b>160,941</b></u>
<b>25.00 Financial Expenses</b>			
Bank Charges		13,195	7,133
Interest expenses against product (BPC)*		137,195	127,339
Interest on WPIPF & WF		95,215	86,568
		<u><b>245,605</b></u>	<u><b>221,040</b></u>
* Interest expenses against product are charged by the BPC.			
<b>26.00 Other Operating Income</b>			
Sundry income (note - 26.01)		41,875	30,168
Profit from Product handling		375,916	808,744
Miscellaneous receipts		34,642	35,216
		<u><b>452,433</b></u>	<u><b>874,128</b></u>
<b>26.01 Sundry income - net</b>			
Land rent/Plant hire/service charges from Eastern Lubricants and Blenders Ltd.		354	354
Rent receipts from Filling Station and Power Station		29,335	12,591
Service Charges receipts from Private Power Station		12,186	17,223
		<u><b>41,875</b></u>	<u><b>30,168</b></u>



		Taka in '000	
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
<b>27.00 Operating Profit / (Loss) on Agro-Chemicals Trading</b>			
Sales		537,835	507,368
<b>Cost of Sales:</b>			
Product Cost (Note - 27.01)		(334,128)	(280,248)
Other Cost - direct		(73,422)	(63,195)
<b>Gross Profit</b>		<b>130,285</b>	<b>163,925</b>
<b>Administrative, selling and distribution expenses</b>			
Salaries, wages and benefits (Note - 27.02)		116,357	146,717
Depreciation (Note - 4.00)		2,813	8,308
Stores and spares		2,163	1,882
Advertisement		415	395
Fuel and power		3,746	4,146
Travelling and conveyance		2,551	2,452
Rent		5,525	5,964
Insurance		696	697
Repairs and maintenance (Note - 27.03)		525	420
Rates and taxes		1,198	939
Printing and stationery		551	402
Communication expenses		577	576
Entertainment		534	715
Other Charges		22,022	19,073
		159,673	192,686
<b>Operating profit / (loss)</b>		<b>(29,388)</b>	<b>(28,761)</b>

**27.01 Product cost**

	01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
	Quantity (MT)	Amount (Tk.) in '000	Quantity (MT)	Amount (Tk.) in '000
Opening Stock	1,152	310,361	2,224	504,465
Purchased/ Manufactured (Note -29.02)	2,680	359,815	1,017	86,137
	3,832	670,176	3,241	590,602
Closing stock (Note - 29.02)	1,957	336,048	1,152	310,354
	<b>1,875</b>	<b>334,128</b>	<b>2,089</b>	<b>280,248</b>

**27.02 Salaries, wages and benefits**

Salaries, wages and bonus	56,076	64,048
Other benefits	49,661	78,563
Contribution to pension and PF	10,620	4,106
	<b>116,357</b>	<b>146,717</b>

**27.03 Repairs and Maintenance**

Plant and machinery	267	209
Building	246	193
Others	12	18
	<b>525</b>	<b>420</b>

**28.00 Non-Operating Income**

Profit on disposal of fixed assets (Petroleum trading)	26	113,664
Profit on disposal of fixed assets (Agro-Chemical trading)	1,024	(500)
Lease Rent	40,518	40,518
Interest on SND (Gross) for Agro Chemical Trading	10,000	10,000
Interest on SND (Gross)	1,091,640	1,609,856
Interest on FDR (Gross)	1,524,800	1,320,796
Disposal of Miscellaneous store	1,339	9,321
	<b>2,669,347</b>	<b>3,103,657</b>



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

Product	Opening Inventory as on 1 July 2020	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 2021
1	2	3	4	5	6=(2+3+4+5)	7	8	9=(7-8)	10=(6-9)
HOBC (in Ltr.)	4,931,553	148,112,774	(215,586)	(250,162)	152,578,579	145,351,299	(436,290)	145,787,589	6,790,990
JET A-1 (in Ltr.)	78,769,996	268,465,545	99,783	(2,941,814)	344,393,510	298,516,370	(288,971)	298,805,341	45,588,169
JP-5 (in Ltr.)	33,600	-	-	-	33,600	6,720	-	6,720	26,880
MS (in Ltr.)	7,198,338	195,711,028	(455,463)	(465,499)	201,988,404	195,555,592	(620,968)	196,176,560	5,811,844
SKO (in Ltr.)	4,068,211	41,372,876	(134,702)	(49,289)	45,257,096	42,076,607	(92,366)	42,168,973	3,088,123
HSD (in Ltr.)	173,968,287	1,661,781,045	425,971	(3,714,323)	1,832,460,980	1,684,333,139	(3,491,706)	1,687,824,845	144,636,135
LDO (in Ltr.)	-	522,900	283	-	523,183	499,800	-	499,800	23,383
FO (in Ltr.)	27,749,333	157,066,289	966,799	(182,994)	185,599,427	182,532,731	244,382	182,288,349	3,311,078
LSFO (in Ltr.)	-	13,787,228	(17,333)	-	13,769,895	5,884,253	11,333	5,872,920	7,896,975
JBO (in Ltr.)	1,696,049	3,926,872	(9,817)	(7,655)	5,605,449	4,577,600	(9,441)	4,587,041	1,018,408
MTT (in Ltr.)	317,714	4,327,327	(20,481)	-	4,624,560	4,374,448	(566)	4,375,014	249,546
SBP (in Ltr.)	1,731	905,600	(1,621)	-	905,710	905,600	-	905,600	110
LS-HSD (in Ltr.)	-	-	-	-	-	-	-	-	-
LMS (in Ltr.)	-	581,000	-	-	581,000	581,000	-	581,000	-
Dead Stock	15,596,396	-	-	-	-	-	-	-	15,596,396
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
2019-2020	270,282,427	2,432,579,732	1,307,245	(6,784,302)	2,696,536,948	2,377,641,456	(5,412,438)	2,383,053,894	314,331,208

\* 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-29.01)





29.01 Net Operational Gain/(Loss):

LOCATIONS	HOBC		JET A-1		MS		SKO		HSD		LSFO	
	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.
MICTG.	910	75,403	75,582	4,628,642	(106,586)	(8,522,617)	(89,172)	(5,534,014)	954,891	58,257,900	(17,333)	(17,333)
ASHUGONJ	-	-	-	-	-	-	(8,632)	(535,702)	(24,126)	(1,471,927)	-	-
CHANDPUR	2,224	184,281	-	-	1,125	89,955	1,723	107,302	14,766	900,874	-	-
SYLHET	(20,380)	(1,688,687)	-	-	(48,558)	(3,882,698)	1,478	91,725	49,822	3,039,640	-	-
BAHMANBARIA	-	-	-	-	(1,148)	(1,834)	-	-	(3,639)	(222,015)	-	-
SREVANGAL	8,856	733,808	-	-	11,303	903,788	5,791	322,153	124,809	7,614,597	-	-
DALATPUR	53,588	4,440,302	(5,280)	(323,347)	(25,350)	(2,026,986)	10,914	677,323	(22,706)	(13,526,283)	-	-
GODENAIL	(244,627)	(20,269,793)	(1,177,261)	(7,172,796)	(1,928,847)	(15,420,043)	(46,112)	(2,861,711)	(388,379)	(23,891,342)	-	-
JHALAKATI	7,113	589,383	-	-	7,681	614,173	1,361	84,464	52,938	3,229,747	-	-
RANGPUR	-	-	-	-	(28,938)	(2,313,882)	-	-	50,678	3,091,377	-	-
BAGHABARI	(23,268)	(1,927,986)	-	-	(65,312)	(5,222,348)	(11,632)	(721,882)	(109,190)	(6,861,682)	-	-
VONGLA OI	-	-	-	-	-	-	-	-	(72,585)	(4,428,411)	-	-
HSI AIRPORT	-	-	144,851	8,870,675	-	-	-	-	-	-	-	-
CHITTAGONG AIRPORT	-	-	50,129	3,069,900	-	-	-	-	-	-	-	-
OIRPORT, SYLHET	-	-	(48,373)	(2,962,363)	-	-	-	-	-	-	-	-
BHAIRAB BAZAR	-	-	-	-	-	-	(280)	(17,377)	55,847	3,407,225	-	-
PARBATIPUR	(2)	(166)	-	-	(7,902)	(631,844)	505	31,340	36,141	2,204,962	-	-
NATORE	-	-	-	-	69	5,517	(52)	(3,227)	1,908	116,407	-	-
BARISAL BARGE	-	-	-	-	-	-	-	-	(95,973)	(5,855,313)	-	-
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)
2019-2020 TOTAL	(146,586)	(12,205,782)	144,196	6,956,015	(362,058)	(28,961,735)	(110,303)	(6,842,095)	1,305,826	79,629,269	-	-

LOCATIONS	FO		JBO		MTT		SBP		TOTAL	
	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.	VOL.	Tk.
MICTG.	(1,117,112)	647,745	(10,582)	(10,582)	(20,481)	(1,509,450)	(1,621)	(143,685)	1,433,353	70,753,264
ASHUGONJ	-	-	-	-	-	-	-	-	(32,758)	(2,007,829)
CHANDPUR	-	-	-	-	-	-	-	-	19,844	1,282,412
SYLHET	-	-	-	-	-	-	-	-	(17,638)	(2,440,020)
BAHMANBARIA	-	-	-	-	-	-	-	-	(3,787)	(233,849)
SREMANGAL	-	-	-	-	-	-	-	-	150,159	9,574,346
DAULATPUR	-	209,601	8,268,759	11,956	1,056,791	-	-	-	33,723	(1,433,441)
GODENAIL	-	104,593	4,126,194	(11,191)	(989,172)	-	-	-	(895,629)	(66,278,666)
JHALAKATI	-	-	-	-	-	-	-	-	69,093	4,517,767
RANGPUR	-	-	-	-	-	-	-	-	21,732	777,495
BAGHABARI	-	-	-	-	-	-	-	-	(209,402)	(14,533,898)
MONGLA OI	-	4,860	191,727	-	-	-	-	-	(67,725)	(4,236,884)
HSI AIRPORT	-	-	-	-	-	-	-	-	144,851	8,870,675
CHITTAGONG AIRPORT	-	-	-	-	-	-	-	-	50,129	3,069,900
OIRPORT, SYLHET	-	-	-	-	-	-	-	-	(48,373)	(2,962,363)
BHAIRAB BAZAR	-	-	-	-	-	-	-	-	55,567	3,389,848
PARBATIPUR	-	-	-	-	-	-	-	-	28,742	1,604,292
NATORE	-	-	-	-	-	-	-	-	1,925	118,697
BARISAL BARGE	-	-	-	-	-	-	-	-	(95,973)	(5,855,313)
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
2019-2020 TOTAL	-	520,724	16,486,193	(7,081)	(625,677)	(33,682)	(2,312,943)	(3,791)	(335,921)	1,307,245





29.02 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	-	134	8	6,482	12	9,547
Ripcord 10FC	13	8,138	37	24,845	92	62,053
Acrobat M/	50	45,072	29	26,689	61	55,684
Roteluck 9%	11	1,727	9	1,423	2	304
Mukta Plus	97	10,189	30	2,468	334	26,902
Talstar 2.5FC	3	1,384	4	1,666	4	1,749
Haymancozeb	24	6,917	15	4,734	49	15,363
Haconazole	2	614	15	6,920	28	11,788
Mg Plus	209	3,384	196	3,202	374	6,062
Salubar Baron(Folieral)	-	20	-	3	-	17
Regent 50SC	2	1,848	8	9,187	14	17,501
Haysulf Df 80%	248	20,303	103	8,441	149	11,862
Sulcox 50WP	10	4,731	7	3,705	17	8,725
Glyfoc 41SI	7	1,841	11	3,383	15	4,561
Opal 75FC	3	2,635	3	2,009	-	626
Haymidor 70WG	1	2,279	1	2,055	-	224
Defence 35SC	18	10,059	12	6,533	6	3,525
Stroke 50I C	1	940	1	921	-	18
Arivo 10FC	1	220	-	-	1	220
Intrigid 10SC	3	3,092	1	647	12	12,915
Hayclaim 5SG	1	1,845	1	1,557	2	4,278
Accurator 69EW	2	1,224	1	859	1	365
Surpass20SC	3	6,126	2	4,079	1	2,047
Novostar 56FC	12	9,458	10	8,418	7	5,585
Trigger 56LW	6	3,380	6	3,374	-	6
Ugent 63GR	212	20,031	280	26,351	134	12,480
Padma Chelate	1	225	1	207	-	18
Piquat	9	1,837	19	2,979	21	3,253
Soil Zip	32	404	178	1,991	322	3,588
Super Fast	7	4,615	4	2,862	11	8,176
Head Line Team	23	35,830	20	31,116	3	4,714
Sacta 1.8I C	18	11,280	16	9,979	2	1,301
Couger	11	23,077	8	17,144	3	5,933
Novofix 42WDG	9	4,929	3	1,769	6	3,160
Samar 75WP	15	24,864	11	18,029	4	6,835
Pithion 46.5FC	3	1,316	3	1,011	1	305
Padma Lambda	12	4,756	4	1,531	8	3,226
Primidor	5	11,522	3	7,524	2	3,998
Optimus	4	7,530	4	7,245	-	284
Stargate	6	361	833	61,186	172	10,549
Pidion	2	6,110	2	4,895	-	1,215
Bisben 30WP	-	-	2	2,438	1	1,835
Pacebon 18WP	-	-	-	77	4	1,331
30 June 2021	1,152	310,361	1,957	336,048	1,875	334,128
30 June 2020	2,224	504,465	1,152	310,354	2,089	280,249



### 29.03 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:

#### 29.03.01 Information about reportable Segments:

Taka in '000						
	Petroleum products	Lubricating Oil & Grease	Bitumen	LPG	Agro-Chemicals products	Total
Turnover	156,901,957	1,534,781	752,572	158,977	537,835	159,886,122
Cost of goods sold	(155,124,421)	(1,160,926)	(749,064)	(152,644)	(334,128)	(157,521,183)
Other cost	(4,347)	(23,338)	(36)	(7)	(73,422)	(101,150)
Operational Gain/(Loss)	3,977	-	-	-	-	3,977
Operating Profit/(Loss)	1,777,166	350,517	3,472	6,326	130,285	2,267,766
Administrative, selling and	(1,903,946)	-	-	-	(159,673)	(2,063,619)
Financial expense:	(245,605)	-	-	-	-	(245,605)
	(372,385)	350,517	3,472	6,326	(29,388)	(41,458)
Other operating income:-						
petroleum trade	452,433	-	-	-	-	452,433
Reportable Segment Total						
Operating Profit	80,048	350,517	3,472	6,326	(29,388)	410,975
Reportable Segment Total Operating Profit (2020-21)	381,890	365,547	1,901	5,356	(28,761)	725,933

#### 29.03.02 Reconciliation of Reportable Segment Total Operating Profit

Taka in '000		
	30 June 2021	30 June 2020
Reportable Segment Total Operating Profit	410,975	725,933
Amount not related to reportable segments	2,515,331	2,912,178
<b>Profit before tax</b>	<b>2,926,306</b>	<b>3,638,111</b>

#### 29.03.03 Amount Not Related to Reportable Segments

Non-Operating Income	2,669,347	3,103,658
Contribution to Worker Profit Participant & Welfare Fund	(154,016)	(191,480)
	<b>2,515,331</b>	<b>2,912,178</b>



**29.04 Analysis of Material Consumed (Agro-chemicals trading):**

	01 July 2020 to 30 June 2021		01 July 2019 to 30 June	
	Qty.	Tk. 000	Qty.	Tk. 000
Packing Materials	Various	24,090		20,304
		<u>24,090</u>		<u>20,304</u>

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

	01 July 2020 to 30 June 2021		01 July 2019 to 30 June	
	Tk. '000	%	Tk. '000	%
Import	20,740	79	17,527	79
Indigenous	5,513	21	4,659	21
	<u>26,253</u>	<u>100</u>	<u>22,186</u>	<u>100</u>
Raw and Packing Materials(29.04)	24,090		20,304	
Store and Spares	2,163		1,882	
	<u>26,253</u>		<u>22,186</u>	

**29.06 Value of purchase/ Manufactured of Agro-Chemicals Products**

	01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
	Tk. '000	%	Tk. '000	%
Import	77,522	90	77,522	90
Indigenous	8,614	10	8,614	10
	<u>86,136</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.

**30.00 Earnings Per Share**

	Taka in '000	
	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
(a) Earnings attributable to the ordinary shareholders (Tk.)	<u>2,286,025</u>	<u>2,729,638</u>
(b) Number of ordinary shares at the end of the year	<u>98,232,750</u>	<u>98,232,750</u>
Earnings Per Share - basic	<u>Tk. 23.27</u>	<u>Tk.27.79</u>



### 31.00 Directors' Fees and Expense

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

Name of the Directors and Managing Director	Gross Amount (Tk.)
Mr. Md. Shamsur Rahman (Chairman)	55,200
Mr. Abu Bakr Siddiquo (Chairman)	18,400
Mr. Md. Anisur Rahman	73,600
Mr. Mohammed Shahidul Alam	184,000
Mr. Kazi Md. Anwarul Hakim	55,200
Mr. Mohammad Iqbal	119,600
Mr. Md. F. Khlasur Rahman	147,200
Mr. K.M. Enayetul Karim	147,200
Mr. Mohd. Sher Ali	184,000
Mr. Md. Arifuzzaman Miah Tutul	36,800
Mr. Suzadur Rahman	110,400
Mr. Nasir Uddin Akhter Rashid	128,800
Mr. Md. Masudur Rahman (MD)	147,200
	<b>1,407,600</b>

Particulars	Taka in '000	
	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Directors' Fees paid-Gross	1,408	911
Meeting expenses	1,224	789
	<b>2,632</b>	<b>1,700</b>

### 32.00 Remuneration of MD, Managers and Officers:

	Taka in '000			Taka in '000		
	01 July 2020 to 30 June 2021			01 July 2019 to 30 June 2020		
	MD	Managers	Officers	MD	Managers	Officers
<b>32.01 Remuneration:</b>						
Salary, allowances	2132	92,304	90,868	2050	87,909	99,855
<b>House rent allowance:</b>						
House rent	1,146	24,018	49,743	1,102	22,874	54,663
Other utilities	364	7,044	8,870	350	6,709	9,747
	1,510	31,062	58,613	1,452	29,583	64,410
Leave encashment	241	3,369	5,170	232	3,209	5,681
Provident fund	261	5,171	7,208	251	4,925	7,921
	<b>4,144</b>	<b>131,906</b>	<b>161,859</b>	<b>3,985</b>	<b>125,626</b>	<b>177,867</b>
Number of Employees	<b>1</b>	<b>53</b>	<b>174</b>	<b>1</b>	<b>50</b>	<b>191</b>

**32.02 House Rent Accommodation** The Managing Director, Managers and Officers are paid cash allowance.  
6 Managers are provided with free furnished accommodation.

**32.03 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.

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

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

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

**32.05 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.



Taka in '000

33.00 Employees

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

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
-	-
959	1,009
<b>959</b>	<b>1,009</b>

34.00 Expenditure in foreign currency at equivalent BDT

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

20,000	19,002
<b>20,000</b>	<b>19,002</b>

35.00 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 30.06.2021 in accordance with the provisions of IAS-24 are presented below:

Name of the Parties	Relationship	Nature of Transactions	Balance as on 30 June 2021
Bangladesh Petroleum Corp.(BPC)	Parent Concern	Multiple Business	53,228,704(Cr)
Bangladesh Petroleum Corp.(BPC)	Parent Concern	Multiple Business	15,135,637(Dr)
Eastern Refinery Limited	Subsidiary of BPC.	Product Refine	11,241(Dr)
Eastern Lubricants Blenders Ltd.	Subsidiary Company	Blending of Products	16,438(Dr)
Standard Asiatic Oil Company Ltd	Subsidiary of BPC.	Product Exchange	224,626(Dr)
Standard Asiatic Oil Company Ltd	Subsidiary of BPC.	Product Exchange	247,352(Cr)
Meghna Petroleum Ltd.	Subsidiary of BPC.	Product Exchange	416,669(Dr)
Meghna Petroleum Ltd.	Subsidiary of BPC.	Product Exchange	6,887(Cr)
Jamuna Oil Comp. Ltd.	Subsidiary of BPC.	Product Exchange	613,016(Dr)
Jamuna Oil Comp. Ltd.	Subsidiary of BPC.	Product Exchange	99,005(Cr)
Liquified Petroleum Gas Ltd.	Subsidiary of BPC.	Product Supply	6,237(Dr)
Liquified Petroleum Gas Ltd.	Subsidiary of BPC.	Product Supply	27,128(Cr)

Details of transactions

Name of the Parties	Opening Balances	Provided during the year	Adjusted during the year	Closing Balance
Bangladesh Petroleum Corp.(BPC)	57,315,086(Cr)	134,318,856	138,405,237	53,228,704(Cr)
Bangladesh Petroleum Corp.(BPC)	10,869,522(Dr)	29,337,905	25,167,351	15,135,637(Dr)
Eastern Refinery Ltd.	10,405 (Dr)	871	34	11,241(Dr)
Eastern Lubricants & Blenders Ltd.	48,488(Cr)	232,581	269,631	16,438(Dr)
Standard Asiatic Oil Company Ltd	82,059(Dr)	214,226	71,659	224,626(Dr)
Standard Asiatic Oil Company Ltd	-	247,352	-	247,352(Cr)
Meghna Petroleum Ltd.	-	101,411	198,425	416,669(Dr)
Meghna Petroleum Ltd.	683,907(Dr)	276,119	269,232	6,887(Cr)
Jamuna Oil Company Ltd.	685,351(Dr)	104,428	176,763	613,016(Dr)
Jamuna Oil Company Ltd.	118,199(Cr)	4,684	23,878	99,005(Cr)
Liquified Petroleum Gas Ltd.	6,189(Dr)	56	8	6,237(Dr)
Liquified Petroleum Gas Ltd.	35,189(Cr)	138,993	147,054	27,128(Cr)



		Taka in '000	
		30 June 2021	30 June 2020
<b>36.00</b>	<b>Contingent Assets</b>		
	Interest realizable for delayed payment from BIMAN & BCIC	8,537,478	7,653,437
	Claims realizable from Bangladesh Railway	32,774	13,856
	Amount realizable from BPC on account of sale of Jet-A1 to the foreign	43,589	43,589
		<b>8,613,841</b>	<b>7,710,882</b>
<b>37.00</b>	<b>Contingent liabilities</b>		
	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	1,461
	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.	31,036	39,825
		<b>31,937</b>	<b>41,286</b>
<b>38.00</b>	<b>Capital Commitments</b>		
	Authorized but not contracted	417,471	263,250
	Authorized and Contracted for but not provided-pending execution	2,201,666	1,749,012
	Order for local supplies services pending execution	56,688	34,492
		<b>2,675,825</b>	<b>2,046,754</b>
<b>39.00</b>	<b>Net asset value per Share</b>		
	The composition of Net Assets value per share is given below :		
	i) Net Assets Value on the reporting date (Taka)	16,543,486	15,485,370
	ii) Number of Ordinary shares at the end of year	98,232,750	98,232,750
	iii) Weighted Average Number of Ordinary shares during the year	98,232,750	98,232,750
	<b>Net Asset Value ( NAV ) per share</b>	<b>Tk. 168.41</b>	<b>Tk. 157.64</b>
<b>40.00</b>	<b>Operating cash flow per share</b>		
	The composition of Operating Cash Inflow/(Outflow) value per share is given below :		
	i) Operating Cash Inflow/(Outflow) during the year (Tk)	268,258	7,947,895
	ii) Number of Ordinary shares at the end of year	98,232,750	98,232,750
	<b>Operating Cash Inflow / (Outflow) per share</b>	<b>Tk. 2.73</b>	<b>Tk. 80.91</b>
<b>41.00</b>	<b>Reconciliation of net income with cash flows from operating activities</b>		
	Net profit before tax	2,926,306	3,638,111
	<b>Adjustments:</b>		
	Depreciations	212,766	211,962
	(Gain)/loss on sale of PPE	(1,051)	(113,165)
		<b>3,138,021</b>	<b>3,736,908</b>
	<b>(Increase)/Decrease in Current Assets:</b>		
	Inventories	3,199,613	(232,601)
	Accounts receivable excluding FDR and SND interest	(1,382,388)	(3,086,104)
	Due from affiliated companies	(4,032,944)	82,928,031
	Advances, deposits and pre-payments	(62,294)	211,308
	<b>Increase/(Decrease) in Current Liabilities:</b>		
	Accounts payable	4,159,573	(10,217,741)
	Supplies and expenses payable	(204,322)	(6,828,883)
	Due to affiliated companies	(3,859,399)	(59,513,928)
	Other liabilities	(53,948)	1,791,391
		<b>(2,236,107)</b>	<b>5,051,473</b>
	Income Tax paid	(633,656)	(840,486)
	<b>Net cash flow from operating activities</b>	<b>268,258</b>	<b>7,947,895</b>



**42.00** 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.

**43.00 Events after reporting period**

The Board of Directors in their meeting held on 28 December 2021 recommended **125% cash dividend (Tk. 1,227,909,000) @ Tk. 12.50 per share** for the year ended 30 June 2021.

**44.00 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

**44.01 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

**44.02 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	
	<u>30 June 2021</u>	<u>30 June 2020</u>
Accounts receivables	16,982,883	18,311,082
Due from affiliated companies	16,423,864	12,390,921
Advance, deposit & prepayments	209,251	146,958
Cash and bank balance	39,065,100	38,749,310
	<u><b>72,681,098</b></u>	<u><b>69,598,271</b></u>

<b>44.03 Ageing of accounts receivables</b>		
Less than 6 months	884,111	2,788,470
6 months or above but less than 12 months	1,415,314	1,411,138
1 year or above but less than 2 years	1,084,861	503,770
2 years or above	13,598,597	13,607,705
	<u><b>16,982,883</b></u>	<u><b>18,311,083</b></u>

**44.04 Ageing of due from affiliated entities/ companies**

Less than 1 year	13,599,131	9,704,356
1 year or above but less than 2 years	-	30,724
2 years or above but less than 5 years	19	-
5 years or above but less than 10 years	135,665	154,174
10 years or above	2,689,051	2,501,667
	<u><b>16,423,866</b></u>	<u><b>12,390,921</b></u>





#### 44.05 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	Carrying amount					Total	
	Note	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
30 June 2021							
Financial Assets not measured at fair value:							
Accounts receivable	8.00	-	-	-	16,982,883	-	16,982,883
Due from affiliated companies	9.00	-	-	-	16,423,864	-	16,423,864
Investments in FDRs	6.01	-	-	-	1,614,304	-	1,614,304
Long term deposits	10.03	-	-	-	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
Financial Liabilities not measured at fair value:							
Accounts payable	16.00	-	-	-	-	15,079,389	15,079,389
Long Term Loan	15.00	-	-	-	-	183,463	183,463
Due to affiliated companies	18.00	-	-	-	-	53,609,075	53,609,075
Other liabilities	19.00	-	-	-	-	4,225,918	4,225,918
		-	-	-	-	73,097,845	73,097,845
30 June 2020							
Financial Assets measured at fair value:							
Financial Assets not measured at fair value:							
Accounts receivable	8.00	-	-	-	18,311,082	-	18,311,082
Due from affiliated companies	9.00	-	-	-	12,390,920	-	12,390,920
Investments in FDRs	6.01	-	-	-	1,379,885	-	1,379,885
Long term deposits	10.03	-	-	-	9,526	-	9,526
Short term deposits	10.04	-	-	-	(825)	-	(825)
Cash at bank	11.02	-	-	-	23,418,290	-	23,418,290
		-	-	-	55,508,878	-	55,508,878
Financial Liabilities not measured at fair value:							
Accounts payable	16.00	-	-	-	-	10,919,816	10,919,816
Long Term Loan	15.00	-	-	-	-	183,463	183,463
Due to affiliated companies	18.00	-	-	-	-	57,468,474	57,468,474
Other liabilities	19.00	-	-	-	-	4,279,866	4,279,866
		-	-	-	-	72,851,619	72,851,619



#### 44.06 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 2021	30 June 2020
Liability for trading supplies and services	15,079,389	10,919,816
Liabilities for supplies and expenses	3,761,525	3,965,846
Customers' and agents' credit balances	1,878,057	1,426,369
Employee's pension fund	114,859	488,034
Employee's fund others	32,895	59,479
Security deposits	170,565	163,927
Tax deducted at source	-	37
Employees' personal accounts	53,030	50,021
Liabilities for Capital Expenditure	23,734	67,212
Workers' Profit Participation and Welfare Funds	154,016	191,480
Others	1,798,762	1,833,308
	<u>23,066,832</u>	<u>19,165,529</u>

#### 44.07 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.

#### 44.08 Exposure to currency risk

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

#### 44.09 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 %.



**45.00 Effect of COVID-19 on the financial statements:**

The assessment of COVID-19 impact has been done based on the following issues:

- A. Assessment of going concern assumption
- B. Valuation of inventories

**A. Assessment of going concern assumption:**

The Management of POCL has reviewed all relevant indicators to assess the company's ability to continue as a going concern under COVID-19 situation and has found that at present it assumes no going concern problem.

**Cash flow forecasts are sufficient to support going concern basis**

Cash flow forecasting is one of the most important procedures that we should use and perform to assess the going concern problem.

A positive cash flow forecast for the next 12 months has indicated that the entity will have sufficient liquid assets to be able to meet its debts.

**B. Valuation of inventories:**

As per IAS-2 inventories should be measured at lower of cost and net realizable value. As the selling price of finished goods and raw materials were not reduced after balance sheet date, no written down of

**Assessment:**

Due to outbreak of COVID-19, the sales revenue of Jet A-1 and JP5 was reduced during the year. It has adversely affected the profitability during the year 2020-2021 and as a result, the profit from Jet A-1 and JP5 for the year 2020-2021 is lower than the prior year.

**46.00 Significant Deviation in Earning per Share (EPS):**

Due to fall of other operating income, non operating income and net operational gain during the year 2020-2021 as a consequence Earning Per Share (EPS) decreased comparing with the previous year.

**47.00 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.

**48.00 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

  
Director

  
Director

