

**EASTERN LUBRICANTS BLENDERS LIMITED**  
**AUDITORS' REPORT AND FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2021**

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

**Hoda Vasi Chowdhury & Co**  
**Chartered Accountants**

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

**Opinion**

We have audited the financial statements of EASTERN LUBRICANTS BLENDERS LIMITED (the Company), which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2020 to 30 June 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

**Basis for Opinion**

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

**Key Audit Matters**

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

**Other information**

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

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





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

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

#### **Responsibilities of management and those charged with governance for the financial statements**

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

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

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

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

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





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

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

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

#### Report on other legal and regulatory requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) the expenditure incurred was for the purposes of the Company's business.

Dated: Chattogram  
26 December, 2021

Rahman Mostafa Alam & Co.  
Chartered Accountants



Arafat Kamal, FCA (1184)  
Partner  
DVC: 2112261184AS593930



Hoda Vasi Chowdhury & Co  
Chartered Accountants



Showkat Hossain, FCA (0137)  
Senior Partner  
DVC: 2112270137AS207724



**EASTERN LUBRICANTS BLENDERS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	7,066	7,428
Investment in FDR for Depreciation Fund	5	-	18,000
Investment in Quoted Shares at Fair Value	6	1,340	915
<b>Total Non-Current Assets</b>		<b>8,406</b>	<b>26,343</b>
<b>Current Assets</b>			
Inventories	7	80,189	37,268
Account Receivables	8	16,028	25,302
Advances and Pre-payments	9	24,640	16,341
Cash and Cash Equivalents	10	350,690	304,886
<b>Total Current Assets</b>		<b>471,547</b>	<b>383,797</b>
<b>Total Assets</b>		<b>479,953</b>	<b>410,140</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	11	9,940	9,940
Retained Earnings		213,901	164,503
Depreciation Fund Reserve	12	1,753	929
General Reserve		667	667
Amount to be distributed as dividend		-	1,341
<b>Total Equity</b>		<b>226,261</b>	<b>177,380</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liability	13	832	956
<b>Total Non-Current Liabilities</b>		<b>832</b>	<b>956</b>
<b>Current Liabilities</b>			
Advance against sales	14	1,537	1,052
Creditors and Accruals	15	218,260	213,949
Revolving Fund	16	12,107	12,107
Unclaimed Dividend	17	2,368	2,305
Provision for Income Tax	18	15,072	2,006
Workers' Profit Participation and Welfare Fund	19	3,516	384
<b>Total Current Liabilities</b>		<b>252,860</b>	<b>231,804</b>
<b>Total Liabilities</b>		<b>253,692</b>	<b>232,760</b>
<b>Total Equity and Liabilities</b>		<b>479,953</b>	<b>410,140</b>
<b>Net Assets Value (NAV) Per Share in Taka</b>	30	<b>227.63</b>	<b>178.45</b>


The annexed notes 1 to 37 from an integral part of these financial statements.


  
 Company Secretary
   
 Managing Director & CEO
   
 Director
   
 Director

Signed in terms of our separate report of even date annexed

Rahman Mostafa Alam & Co.  
Chartered Accountants

Hoda Vasi Chowdhury & Co  
Chartered Accountants

  
Arafat Kamal, FCA (1184)  
Partner

  
Showkat Hossain, FCA (0137)  
Senior Partner

Dated: Chattogram  
26 December, 2021

Dve: 2112261184AC503930

Dve: 2112270137AS207724





**EASTERN LUBRICANTS BLENDERS LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note(s)	Taka in '000	
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Revenue	20	422,355	44,514
Direct Expenses	21	(371,324)	(57,924)
<b>Gross Profit/(Loss)</b>		<b>51,031</b>	<b>(13,410)</b>
Administrative and General Expenses	22	(2,055)	(2,719)
<b>Operating Profit / ( Loss )</b>		<b>48,976</b>	<b>(16,129)</b>
Non-Operating Income	23	20,925	24,211
Unrealized Gain/ (Loss) on Investment in Quoted Shares	6.01	425	(393)
<b>Profit Before Contribution to WPP and WF and Taxation</b>		<b>70,326</b>	<b>7,690</b>
Contribution to WPP and WF	19	(3,516)	(384)
<b>Profit Before Taxation</b>		<b>66,810</b>	<b>7,306</b>
<b>Income Tax Expenses</b>			
Current Tax			
Current year	18	(15,072)	(2,006)
Previous year	18	-	41
Deferred Tax	13	124	58
		<b>(14,948)</b>	<b>(1,907)</b>
<b>Profit After Taxation</b>		<b>51,863</b>	<b>5,399</b>
Surplus From Investment Transfer to Depreciation Fund Reserve	12.01	(824)	(929)
<b>Total Comprehensive Income</b>		<b>51,039</b>	<b>4,470</b>
<b>Basic Earnings Per Share (EPS) in Taka</b>	29	<b>52.18</b>	<b>5.43</b>

The annexed notes 1 to 37 from an integral part of these financial statements.

 _____ Company Secretary	 _____ Managing Director & CEO	 _____ Director	 _____ Director
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Signed in terms of our separate report of even date annexed

Rahman Mostafa Alam & Co.  
Chartered Accountants

Hoda Vasi Chowdhury & Co  
Chartered Accountants





Dated: Chattogram  
26 December, 2021

Arafat Kamal, FCA (1184)  
Partner

Showkat Hossain, FCA (0137)  
Senior Partner

Dvc: 2112261024AS593930

Dvc: 2112270137AS207724



**EASTERN LUBRICANTS BLENDERS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Taka in '000

	Share Capital	Retained Earning	Depreciation Fund Reserve	General Reserve	Total
<b>Balance as on 01 July 2019</b>	9,940	171,314	-	408	181,662
Unclaimed Dividend Transferred to	-	-	-	259	259
Surplus From Investment	-	-	929	-	929
Cash Dividend for the 2018-2019	-	(9,940)	-	-	(9,940)
Net Profit for the year	-	4,470	-	-	4,470
<b>Balance as at 30 June 2020</b>	<b>9,940</b>	<b>165,844</b>	<b>929</b>	<b>667</b>	<b>177,380</b>
<b>Balance as on 01 July 2020</b>	9,940	165,844	929	667	177,380
Unclaimed Dividend Transferred to	-	-	-	-	-
Surplus From Investment	-	-	824	-	824
Cash Dividend for the 2019-2020	-	(2,982)	-	-	(2,982)
Net Profit for the year	-	51,039	-	-	51,039
<b>Balance as at 30 June 2021</b>	<b>9,940</b>	<b>213,901</b>	<b>1,753</b>	<b>667</b>	<b>226,261</b>

The annexed notes 1 to 37 from an integral part of these financial statements.

  
Company Secretary

  
Managing Director & CEO

  
Director

  
Director





**EASTERN LUBRICANTS BLENDERS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note(s)	Taka in '000	
		01 July 2020 to 30 June	01 July 2019 to 30 June
<b>A. Operating activities</b>			
Receipts from customers against sales and others		410,117	76,777
Cash receipt/(paid) to suppliers and others		(369,199)	17,503
<b>Cash generated by operations</b>	28	<b>40,918</b>	<b>94,280</b>
Advance Income Tax paid	9.01.01	(10,196)	(2,205)
<b>Net cash provided by/(used in) operating activities</b>		<b>30,722</b>	<b>92,075</b>
<b>B. Investing activities</b>			
Investment in FDR for Depreciation Fund	5	18,000	32,000
<b>Net cash provided by/(used in) investing activities</b>		<b>18,000</b>	<b>32,000</b>
<b>C. Financing activities</b>			
Dividend paid	17	(2,919)	(9,276)
<b>Net cash provided by/(used in) financing activities</b>		<b>(2,919)</b>	<b>(9,276)</b>
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		45,804	114,800
E. Cash and Cash Equivalents at the beginning of the year	10	304,886	190,087
<b>F. Cash and Cash Equivalents at the end of the year (D+E)</b>	10	<b>350,690</b>	<b>304,886</b>
<b>Net operating cash flows (NOCF) per share in Taka</b>	31	<b>30.91</b>	<b>92.63</b>

The annexed notes 1 to 37 from an integral part of these financial statements.

  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Managing Director & CEO

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director





**EASTERN LUBRICANTS BLENDEERS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED 30 JUNE 2021**

**1.00 The Reporting Entity**

**1.01 Legal form of Enterprise**

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

**1.02 Nature of the Business**

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

**2.00 Basis of Preparation, Presentation & Disclosures of Financial Statements**

**2.01 Statement of Compliance**

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

**2.02 Basis of Reporting**

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

- a) Statement of financial position as at 30 June 2021;
- b) Statement of profit or loss and other comprehensive income for the year ended 30 June 2021;
- c) Statement of changes in equity for the year ended 30 June 2021;
- d) Statement of cash flows for the year ended 30 June 2021;
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

**2.03 Other Regulatory Compliances**

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

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

**2.04 Authorization for Issue**

The Board of Directors has authorized these financial statements for public issued on 23 December, 2021.

**2.05 Basis of Measurement**

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

**2.06 Going Concern**

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





**2.07 Reporting Period**

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

**2.08 Applicable Accounting Standards**

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

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

**2.09 Functional and Presentation Currency**

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

**2.10 Cash Flows Statement**

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

**2.11 Use of Estimates and Judgements**

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

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

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

**2.12 Preparation and Presentation of Financial Statements of the Company**

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

**2.13 Comparative Information**

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





### 3.00 Significant Accounting Policies

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

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

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

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

#### 3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2021 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2020.

#### 3.02 Property, Plant and Equipment

##### i) Recognition and Measurement

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

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

##### ii) Pre-Operating Expenses and Borrowing Costs

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

##### iii) Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of non current assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit or loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.





#### iv) Depreciation

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

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

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

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

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

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

#### v) Impairment of Assets

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

#### vi) Retirement and Disposals

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

#### vii) Depreciation Fund

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

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

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

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

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





**3.03 Capital Work in Progress**

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

**3.04 Inventories**

**Nature of Inventories**

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

**Valuation of the Inventories**

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

**3.05 Financial Instruments**

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

**3.05.01 Financial Assets**

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

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

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

**a) Account Receivables**

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

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

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

**b) Advances, Deposits and Prepayments**

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

Deposits are measured at payment value.

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

**c) Cash and Cash Equivalents**

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





**d) Equity Instrument Held for Trading**

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

**3.05.02 Financial Liabilities**

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

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

Financial liability comprises creditors and accruals.

**a) Creditors and Accruals**

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

**3.06 Impairment**

**i) Financial Assets**

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

**ii) Non-financial Assets**

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

**3.07 Share Capital**

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

**3.08 Employee Benefits**

**3.08.01 Short Term Employee Benefits**

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

**3.08.02 Post Employment Benefits**

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

**i) Defined Contribution Plan**

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





**a) Pension and Gratuity**

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

**b) Workers' Profit Participation & Welfare Fund**

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

**3.09 Taxation**

**i) Current Tax**

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

**ii) Deferred Tax**

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

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

**3.10 Provisions and Contingencies**

A provision is recognized in the Statement of Financial Position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized.

**3.11 Revenue Recognition**

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

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

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

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

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

**3.12 Earnings Per Share (EPS)**

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

**3.12.01 Basis of Earnings**

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



**3.12.02 Basic Earnings Per Share**

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

**3.13 Segment Reporting**

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

**3.14 Changes in Accounting Policy**

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

**3.15 Events after the Reporting Period**

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





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

Particulars	Cost				Rate of Depreciation (%)	Depreciation			Written down value (WDV) at 30 June 2021
	Balance as on 01 July 2020	Addition during the year	Deletion during the year	Balance as on 30 June 2021		Balance as on 01 July 2020	Charged during the year	Deletion during the year	
General Building									
Class-II	4,798	-	-	4,798	2.5-5%	708	108.09	-	816
Class-III	1,424	-	-	1,424	7.5-15%	1,339	6.82	-	1,346
General Plant	16,985	-	-	16,985	7-7.5%	13,863	234.21	-	14,097
Underground Cables	11	-	-	11	7.5%	10	0.01	-	10
Storage Tanks	1,284	-	-	1,284	10-20%	1,223	6.14	-	1,229
Electric Machinery	151	-	-	151	10-20%	151	0.06	-	151
Pipeline and Boilers	1,170	-	-	1,170	10-20%	1,107	6.29	-	1,113
Office Equipment	46	-	-	46	15%	45	0.06	-	45
Furniture and Fixture	23	-	-	23	5%	18	0.27	-	18
Truck and Browsers	580	-	-	580	20%	580	0.07	-	580
<b>Balance as at 30 June 2021</b>	<b>26,472</b>	<b>-</b>	<b>-</b>	<b>26,472</b>		<b>19,044</b>	<b>362</b>	<b>-</b>	<b>19,406</b>
<b>Balance as at 30 June 2020</b>	<b>26,472</b>	<b>-</b>	<b>-</b>	<b>26,472</b>		<b>18,658</b>	<b>386</b>	<b>-</b>	<b>19,044</b>

Depreciation Allocated to:

Note(s)	Taka in '000	
	30 June 2021	30 June 2020
21.01	362	386
	<b>362</b>	<b>386</b>

Blending Expenses



	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>5.00 Investment in FDR for Depreciation Fund</b>			
National Bank Limited		-	18,000
		-	18,000
<b>6.00 Investment in Quoted Shares at Fair Value</b>			
Investment in Share:			
ICB Islamic Bank Limited (Formerly The Oriental Bank Limited)		1,340	915
		1,340	915
Market Price Per Share in Taka		4.10	2.80

**6.01 Calculation of Unrealized Gain/(Loss)**

Particulars	Number of Shares	Taka in '000		
		Market Value as on 30 June 2021	Market Value as on 30 June 2020	Unrealized Gain/(Loss)
ICB Islamic Bank Limited	326,900	1,340	915	425
	326,900	1,340	915	425

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

The above mentioned investment in shares are carried at fair value (Taka 4.10 each) as on 30 June 2021. Net gain/(loss) thereon has been charged to the Statement of Profit or Loss & Other Comprehensive Income in due compliance with "IFRS-9: Financial Instruments.

	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>7.00 Inventories</b>			
Yuasa Branded Battery	7.01	11,695	13,431
Stock in Bitumen		4,142	23,837
Stock in Base Oil *		64,352	-
		80,189	37,268
* Base oil stock is lying with Standard Asiatic Oil Company Limited			
<b>7.01 Yuasa Branded Battery</b>			
Opening Balance		13,431	16,602
Add: Purchase During the Year		-	-
		13,431	16,602
Less: Return During the Year		(118)	-
		13,313	16,602
Less: Issued during the year		(1,618)	(3,172)
Closing Balance		11,695	13,431

	Quantity in pcs	
	30 June 2021	30 June 2020
<b>7.01.01 Quantitative Reconciliation of Yuasa Branded Battery</b>		
Opening Inventory	1,368	1,681
Add: Purchase During the Year	-	-
	1,368	1,681
Less: Issued during the year	(152)	(313)
Closing Inventory	1,216	1,368

	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>8.00 Account Receivables</b>			
Trade Receivables	8.02	12,256	20,293
Other Receivables	8.03	3,772	5,009
		16,028	25,302





8.01 Aging of Accounts Receivables:

	Taka in '000				Total
	Up to 6 months	Over 6 months but less than 1 year	1 Year or above but less than 2 years	2 Years and above	
Trade Receivables	3,953	-	5,827	2,476	12,256
Other Receivables	3,703	-	-	69	3,772
	<u>7,656</u>	<u>-</u>	<u>5,827</u>	<u>2,545</u>	<u>16,028</u>

	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>8.02 Trade Receivables</b>			
Bangladesh Petroleum Corporation		7,463	5,827
Meghna Petroleum Limited		3,360	10,785
Jamuna Oil Company Limited		1,433	3,681
		<u>12,256</u>	<u>20,293</u>
<b>8.03 Other Receivables</b>			
Accrued Interest on FDR		3,703	4,940
Others		69	69
		<u>3,772</u>	<u>5,009</u>
<b>9.00 Advances and Pre-payments</b>			
Advances	9.01	24,572	16,273
Pre-payments	9.02	68	68
		<u>24,640</u>	<u>16,341</u>
<b>9.01 Advances</b>			
Advance Income Tax	9.01.01	14,881	6,691
Advance VAT		9,665	9,556
Customs		26	26
		<u>24,572</u>	<u>16,273</u>
<b>9.01.01 Advance Income Tax</b>			
Opening Balance		6,691	12,324
Add: Paid/deducted during the year		10,196	2,205
Less: Adjusted during the year	18.00	(2,006)	(7,838)
Closing Balance		<u>14,881</u>	<u>6,691</u>
<b>9.02 Pre-payments</b>			
Insurance Premium		68	68
		<u>68</u>	<u>68</u>
	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>10.00 Cash and Cash Equivalents</b>			
Cash at Bank	10.01	49,590	13,509
Fixed Deposit Receipts	10.02	300,182	291,377
Cash In Transit		918	-
		<u>350,690</u>	<u>304,886</u>
		Taka in '000	
		30 June 2021	30 June 2020
<b>10.01 Cash at Bank</b>			
<b>Name of Banks</b>	<b>Branch</b>	<b>Account Type</b>	
Standard Chartered Bank	Station Road	Call Deposit	773
Standard Chartered Bank	Station Road	Dividend	689
Prime Bank Limited	Halishahar	Current Deposit	26,987
Mutual Trust Bank Limited	Agrabad	Depreciation Fund	21,141
			<u>771</u>
			<u>580</u>
			<u>11,456</u>
			<u>702</u>
			<u>49,590</u>
			<u>13,509</u>



10.02 Fixed Deposit Account

Name of Banks	Branch	Interest Rate	Period	Taka in '000	
				30 June 2021	30 June 2020
ICB Islamic Bank Limited	Khatungonj	-	3 Months	1,107	1,107
NRB Global Bank	Mehidibag	6.00%	3 Months	109,872	124,913
Basic Bank Ltd.	Agrabad	6.00%	3 Months	102,062	30,000
Union Bank Ltd.	Pahartali	6.00%	6 Months	87,141	81,980
Investment Corporation of Bangladesh	Chattogram	7.50%	3 Months	-	53,377
				<b>300,182</b>	<b>291,377</b>

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

11.00 Share Capital

No. of Shares

11.01

Authorized Capital:

5,000,000 Ordinary shares of Tk. 10 each

Taka in '000	
30 June 2021	30 June 2020
50,000	50,000
<b>50,000</b>	<b>50,000</b>

Issued, Subscribed and Paid-up Capital:

195,000	Ordinary shares of Tk.10 each fully paid in cash	1,950	1,950
18,000	Ordinary shares of Tk 10 each fully paid for consideration other than	180	180
106,500	Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every two shares held on 31 December 1975	1,065	1,065
106,500	Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every three shares held on 31 October 1977	1,065	1,065
106,500	Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every four shares held on 31 May 1981	1,065	1,065
213,000	Shares of Tk.10 each issued as Bonus shares in the ratio of two shares for every five shares held on 31 May 1982	2,130	2,130
248,500	Shares of Tk.10 each issued as Bonus shares in the ratio of one share for every three shares held on 31 January 1985	2,485	2,485
<b>994,000</b>	<b>Ordinary shares of Tk.10 each</b>	<b>9,940</b>	<b>9,940</b>





11.02 Position of Share Holding

Name of share holders	30 June 2021		30 June 2020	
	Percentage of share holding	Number of Shares	Percentage of share holding	Number of Shares
<b>A. Bangladesh Petroleum Corporation</b>	<b>51.00%</b>	<b>506,943</b>	<b>51.00%</b>	<b>506,943</b>
<b>B. Public Institutions</b>				
Jiban Bima Corporation	15.04%	149,520	15.04%	149,520
Adamjee Sons Limited	1.94%	19,273	1.94%	19,273
Bangladesh General Limited	1.11%	11,060	1.11%	11,060
Bangladesh Commodities Limited	0.83%	8,260	0.83%	8,260
Sonali Bank Limited	0.56%	5,593	0.00%	-
Tea Bangladesh Limited	0.83%	8,260	0.83%	8,260
Sadharan Bima Corporation	0.08%	753	0.08%	753
	<b>20.39%</b>	<b>202,719</b>	<b>19.83%</b>	<b>197,126</b>
<b>C. Private Institution</b>				
Cantours Ltd.	0.00%	-	0.01%	100
Supreme Electronics Limited	0.01%	100	0.04%	350
M/S Shohane Enterprise	0.05%	455	0.00%	-
RNZ Communication LTD Employee GF	0.04%	389	0.00%	-
Hussain Trading Company	0.10%	1,000	0.00%	-
Universal Equity Management	0.00%	-	0.10%	1,000
Be Rich Limited	0.06%	610	0.06%	610
Excellent Investment Limited	0.00%	-	0.00%	46
Pharmasia Limited Emp. PF.	0.10%	1,000	0.00%	-
Ahmed Iqbal Hasan Securities Ltd.	4.83%	48,011	0.00%	-
ICB Portfolio Barishal	0.06%	600	0.00%	-
Rapid Wealth Trade Corporation	0.04%	351	0.00%	-
C- Maart Securities Ltd.	0.04%	400	0.00%	-
Agrabad Hotels Limited	0.00%	-	0.01%	60
M. Securities Limited (Dealer)	0.02%	150	0.00%	48
M. Securities Limited (Stgic Investment)	0.01%	50	0.03%	310
Remons Investment Limited	0.01%	100	0.01%	100
Anchor Securities Limited	0.00%	-	0.01%	100
BRB Securities Limited (Dealer)	0.00%	-	0.03%	340
Shikhito Bekar Kendrioy Sonchoy	0.00%	-	0.16%	1,600
Chandra Shikhito Bekar J.B.C.S	0.00%	-	0.10%	1,015
Holy Asset Ltd.	0.01%	100	0.00%	-
Popular Life Insurance Co. Ltd.	0.17%	1,657	0.00%	-
Sonali Investment Limited	0.10%	1,000	0.00%	-
	<b>5.63%</b>	<b>55,973</b>	<b>0.57%</b>	<b>5,679</b>
<b>D. Individuals (Bangladeshi)</b>	<b>22.97%</b>	<b>228,365</b>	<b>28.60%</b>	<b>284,252</b>
	<b>100.00%</b>	<b>994,000</b>	<b>100.00%</b>	<b>994,000</b>



11.03 Classification of shares by holding

Slab by number of shares	No. of Shareholders	No. of Shares	Holding (%)
Less than 500	1,656	106,671	10.73%
From 501 to 5,000	95	111,944	11.26%
From 5,001 to 10,000	6	40,578	4.08%
From 10,001 to 20,000	2	30,333	3.05%
From 20,001 to 50,000	1	48,011	4.83%
Above 100,000	2	656,463	66.04%
	<b>1,762</b>	<b>994,000</b>	<b>100%</b>

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

	Note(s)	Taka in '000	
		30 June 2021	30 June 2020
<b>12.00 Depreciation Fund Reserve</b>			
Opening Balance		929	-
Net Surplus for the year transfer from Statement of profit or loss and Other Comprehensive Income	12.01	824	929
		<b>1,753</b>	<b>929</b>
<b>12.01 Surplus from investment</b>			
Excess of Income over Expenditure		1,119	1,304
Beneficiaries Profit Participation Fund @5%		(56)	(65)
		1,063	1,239
Provision for taxation @ 22.5%		(239)	(310)
		<b>824</b>	<b>929</b>

13.00 Deferred Tax Liability

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

	Taka in '000	
	30 June 2021	30 June 2020
Opening Balance	956	1,014
Add/(Less): Provision / Adjustment Made During the Year	(124)	(58)
Closing Balance	<b>832</b>	<b>956</b>

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

	Carrying Amount	Tax Base	Tax Rate	Taxable/ (Deductible) Temporary Difference
<b>As at 30 June 2021</b>				
Property, Plant and Equipment	7,066	2,510	22.50%	1,025
Available - for- Sale Financial Assets	1,340	3,269	10.00%	(193)
<b>Net Taxable Temporary Difference</b>				<b>832</b>





Note(s)	Taka in '000	
	30 June 2021	30 June 2020
<b>14.00 Advance against sales</b>		
From Dealers of Battery	1,537	1,052
	<u>1,537</u>	<u>1,052</u>
<b>15.00 Creditors and Accruals</b>		
Creditors For Goods	15.01 94,915	111,799
Creditors For Expenses	15.02 86	60
Creditors for Other Finance	15.03 123,259	101,890
	<u>218,260</u>	<u>213,749</u>
<b>15.01 Creditors for Goods</b>		
Bangladesh Petroleum Corporation	86,304	63,651
Padma Oil Company Limited	8,611	48,148
	<u>94,915</u>	<u>111,799</u>
<b>15.02 Creditors for Expenses</b>		
Audit Fees	86	60
	<u>86</u>	<u>60</u>
<b>15.03 Creditors for Other Finance</b>		
Payable to Padma Oil Company Limited on account of VAT paid by them	120,048	97,815
Earnest Money Deposit	395	392
Security Money from Dealers of Battery	1,800	2,300
Others	1,016	1,383
	<u>123,259</u>	<u>101,890</u>
<b>16.00 Revolving Fund</b>		
Bangladesh Petroleum Corporation (BPC)	5,000	5,000
Meghna Petroleum Limited (MPL)	2,000	2,000
Jamuna Oil Company Limited (JOCL)	107	107
Padma Oil Company Limited (POCL)	5,000	5,000
	<u>12,107</u>	<u>12,107</u>

Revolving Fund represents security money received from BPC, MPL, JOCL and POCL which can be utilized in future against non payment of bills.

<b>17.00 Unclaimed Dividend</b>		
Opening Balance	2,305	1,900
Add: Cash Dividend	2,982	9,940
	<u>5,287</u>	<u>11,840</u>
Less: Transferred to General Reserve	-	(259)
Less: Paid During the Year	(2,919)	(9,276)
Closing Balance	<u>2,368</u>	<u>2,305</u>

The Company has transferred an amount of Tk. 1,274,123.50 to Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) at 29/09/2021 as per notification no- BSEC/CMRCD/2021-391/20/Admin/121 dated 27 June, 2021 to fulfil it's requirement to transfer the unclaimed dividend of remain unpaid for three (3) years or more as at 29/09/2021.

**Dividend Outstanding for the years**

2006-2007 to 2010-2011

2011-2012

2012-2013

2013-2014

2014-2015

2015-2016

2016-2017

2017-2018

2018-2019

2019-2020

-	-
29	29
80	80
322	322
97	97
275	275
471	471
363	363
656	668
75	-
<u>2,368</u>	<u>2,305</u>



**18.00 Provision for Income Tax**

Opening Balance		2,006	7,879
Provided during the year			
Against current year		15,072	2,006
Against previous years		-	(41)
		<b>15,072</b>	<b>1,965</b>
Less: Paid / Adjusted During the Year	9.01.01	(2,006)	(7,838)
Closing Balance		<b>15,072</b>	<b>2,006</b>

30 June 2021		30 June 2020	
Rate	Taka'000	Rate	Taka'000
<b>Reconciliation of effective tax rate</b>			
Profit before tax	66,810		7,306
Total income tax expense	22.57%	15,072	27.46%
			2,006

**Factors affecting the tax charge:**

Tax using the applicable rate	22.50%	15,032	25.00%	1,827
Difference between accounting and fiscal depreciation	0.08%	52	0.26%	18
Inadmissible expenses	0.15%	98	0.86%	63
Unrealized loss on market value of financial assets	-0.16%	(106)	1.34%	98
	<b>22.57%</b>	<b>15,076</b>	<b>27.46%</b>	<b>2,006</b>

**19.00 Workers' Profit Participation and Welfare Fund**

		Taka in' 000	
		30 June 2021	30 June 2020
Opening Balance		384	1,631
Add: Provision during the year		3,516	384
		<b>3,900</b>	<b>2,015</b>
Less: Paid /Adjusted during the year		(384)	(1,631)
Closing Balance		<b>3,516</b>	<b>384</b>

**20.00 Revenue (gross)**

		Taka in '000	
Note(s)		1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
Blending Charges Recovery	20.01	3,507	5,359
Sale of Battery		1,711	3,605
Sales of Base Oil *		333,217	-
Sale of Bitumen		83,920	35,550
		<b>422,355</b>	<b>44,514</b>

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





	1 July 2020 to 30 June 2021		1 July 2019 to 30 June 2020	
	Quantity in MT	Taka in '000	Quantity in MT	Taka in '000
<b>20.01 Blending Charges Recovery</b>				
<b>A) Lubricating Oil</b>				
HVI Industrial Grade	350	1,180	772	2,605
Automotive Oil SF/cc(Min) High Additive	130	438	204	689
Automotive Oil SC/cc(Min)	314	1,060	350	1,183
Gear Oil GL-4	8	26	65	220
Automotive Oil SC/CC (5 Ltr. Can)	126	425	106	357
Automotive Oil SF/CC(Min) (5 Ltr. can)	10	34	-	-
Automotive Gear Oil GL-4 (5 Ltr. Can )	67	225	9	31
Automotive Gear Oil GL-5 (1Ltr.P/B Btl)	4	14	44	147
Automotive Gear Oil GL-4 (1 Ltr. P/B. Btl.)	5	16	2	8
Automotive Oil SC/CC(Min) (1 ltr. can)	1	5	1	2
	<b>1,015</b>	<b>3,424</b>	<b>1,551</b>	<b>5,241</b>
<b>B) Grease</b>				
Padma Wrog Compound (ABCDH)	17	83	24	118
<b>Total Blending charges Recovery (A+B)</b>	<b>1,032</b>	<b>3,507</b>	<b>1,576</b>	<b>5,359</b>

**20.02 Operating Segment**

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

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

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



20.02.01 Information about reportable Segments:

	Taka in '000					
	Base Oil	Lubricating Oil	Grease	Battery	Bitumen	Total
Revenue	333,217	3,424	83	1,711	83,920	422,355
Direct Cost	(269,675)	(16,276)	(252)	(1,618)	(83,503)	(371,325)
Gross Profit/(Loss)	63,542	(12,852)	(170)	93	417	51,030
General & Administrative expenses	-	(2,055)	-	-	-	(2,055)
<b>Reportable Segment Profit/(Loss) Before Tax</b>	<b>63,542</b>	<b>(14,907)</b>	<b>(170)</b>	<b>93</b>	<b>417</b>	<b>48,976</b>

	Note(s)	Taka in ' 000	
		1 July 2020 to 30 June 2021	1 July 2019 to 30 June 2020
<b>20.02.02 Reconciliation of Reportable Segment Profit Before Tax</b>			
Reportable Segment Profit/(Loss) Before Tax		48,976	(16,130)
Amount not related to reportable segments	20.02.03	17,834	23,434
<b>Profit before tax</b>		<b>66,810</b>	<b>7,306</b>
<b>20.02.03 Amount Not Related to Reportable Segments</b>			
Non-Operating Income	23.00	20,925	24,211
Unrealized Gain/ (Loss) on Investment in Quoted Shares		425	(393)
Contribution to Worker Profit Participant and Welfare Fund		(3,516)	(384)
		<b>17,834</b>	<b>23,434</b>
<b>21.00 Direct Expenses</b>			
Blending Expenses	21.01	16,528	19,332
Cost of Battery Sold		1,618	3,172
Cost of Bitumen sold		83,503	35,420
Cost of Base Oil Sold		269,675	-
		<b>371,324</b>	<b>57,924</b>
<b>21.01 Blending Expenses</b>			
<b>A) Fixed Blending Expenses</b>			
<b>Employees Cost:</b>			
Salary and Wages		4,723	3,339
House Rent Allowance		1,499	1,669
Bonus		486	1,150
Pension and Gratuity		1,035	3,801
Medical Expenses		886	296
Overtime		264	227
Provident Fund		258	285
Canteen Subsidy/ Lunch Assistance		190	304
Leave Encashment		20	457
Management Employees Car Expenses		853	-
Uniform and Laundry Expense		16	64
Employee Income Tax		165	297
Leave Fare Assistance		123	148
Group Insurance		257	20
		<b>10,775</b>	<b>12,058</b>





21.01.01 Employees' income taxes are borne by the company as per agreement with them.

	Note(s)	Taka in ' 000	
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
<b>B) Fixed Blending Overhead :</b>			
Depreciation	4.00	362	386
Insurance		135	134
Printing, Postage and Stationery		74	110
Telegrams/Telex and Telephone		25	28
Travelling and Conveyance		148	435
Advertisement		358	1,046
Rates and Taxes		23	23
Entertainment		92	103
Rent		354	354
		<u>1,571</u>	<u>2,619</u>
<b>C) Variable Blending Overhead:</b>			
Fuel and Power		546	994
Contract Labour		1,691	1,216
Stores and Spares		154	246
Repairs and Maintenance		72	276
Sundries		1,720	1,923
		<u>4,182</u>	<u>4,655</u>
<b>Total Blending Cost</b>		<u><b>16,528</b></u>	<u><b>19,332</b></u>
<b>22.00 Administrative and General Expenses</b>			
Service Fee		700	700
Directors Fee and Expenses		418	1,138
Audit Fees	25.00	60	60
Listing Fee		91	91
AGM Expenses		786	1,038
		<u>2,055</u>	<u>3,027</u>
<b>22.01</b> Directors are paid fees for attending Board Meetings.			
<b>22.02</b> Directors are provided with accommodation and travelling expenses for attending meetings.			
<b>22.03</b> During the year under review 6 (Six) Board Meetings were held.			
<b>23.00 Non-Operating Income</b>			
Interest on FDR		20,240	23,460
Interest on Saving Accounts		603	645
Storage Charges Recovered		57	87
Others		25	19
		<u>20,925</u>	<u>24,211</u>
<b>24.00 Foreign Exchange Gain or Loss</b>			
The Company does not have any foreign currency account. Furthermore during the year the Company had not imported any base oil for which no foreign exchange gain or loss has been recognised during the year.			
<b>25.00 Auditors Remuneration</b>		60	60
Audit Fees		<u>60</u>	<u>60</u>
Audit Fees represent auditors remuneration which is fixed up by the Shareholders in the Annual General Meeting.			
<b>26.00 Remuneration of Executives and others</b>			
Salary and Bonus		1,177	1,111
House Rent		706	585
Provident Fund		85	85
		<u>1,968</u>	<u>1,781</u>
<b>26.01</b> Executives and Officers are paid house rent allowance in cash.			
<b>26.02</b> The Executives and Officers are provided with free medical facilities according to company rules.			
<b>26.03</b> The Executives and Officers are covered under the group insurance scheme.			



**27.00 Employees**

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

Number of Employees	
30 June 2021	30 June 2020
-	-
4	10
<b>4</b>	<b>10</b>

**28.00 Reconciliation of Net Income With Cash Flows from operations**

Taka in ' 000		
01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020	
<b>Profit before income tax</b>	66,810	7,306
Depreciation charged	362	386
Unrealized Gain/ (Loss) on Investment in Quoted Shares	(425)	393
(Increase)/Decrease in Inventory	(42,923)	(20,666)
(Increase)/Decrease in Account Receivables	9,274	7,000
Increase/(Decrease) in Advance Against Sales	485	1,052
(Increase)/Decrease in Advances, Deposits and Pre-payments	(109.37)	7,806
Increase/(Decrease) in Creditors and Accruals	4,311	92,249
Increase/(Decrease) in Provision of WPPF and WF	3,132	(1,247)
<b>Cash Generated from Operations</b>	<b>40,918</b>	<b>94,280</b>

**29.00 Basic Earnings Per Share (EPS)**

Profit Attributable to the Ordinary Shareholders	51,863	5,199
Number of Ordinary Shares at the Year End	994	994
<b>Basic Earnings Per Share (EPS) in Taka</b>	<b>52.18</b>	<b>5.23</b>

**30.00 Net Asset Value Per Share**

Taka in ' 000		
30 June 2021	30 June 2020	
Net Asset Value (NAV)	226,261	176,451
Number of Ordinary Shares at the Year End	994	994
<b>Net Asset Value Per Share in Taka</b>	<b>227.63</b>	<b>177.52</b>

**31.00 Net Operating Cash flow Per Share**

Taka in ' 000		
01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020	
Cash Inflow/(Outflow) from Operating Activities	30,722	92,075
Number of Ordinary Shares at the Year End	994	994
<b>Operating Cash Flow Per Share in Taka</b>	<b>30.91</b>	<b>92.63</b>

**32.00 Directors Fee and Attendance Status of Board Meeting**

During the year ended 30 June 2021, there were 6 ( Six ) Board meetings held. Directors fee and attendance status of all the meetings are as follows:

Sl.	Name of the Directors	Meeting Held	Attendance	Amount in Taka	
				Fee Per Meeting	Total Amount
01	Mr. Md. Shamsur Rahman	6	1	5,600	5,600
02	Mr. Md. Sarwar Alam	6	1	5,600	5,600
03	Mr. Syed Mehdi Hasan	6	6	5,600	33,600





Sl.	Name of the Directors	Meeting Held	Attendance	Amount in Taka	
				Fee Per Meeting	Total Amount
04	Mr. Abu Bakr Siddique	6	5	5,600	28,000
05	Mr. Munshi Golam Mostafa	6	6	5,600	33,600
06	Mr. Md. Quamrul Hasan	6	6	5,600	33,600
07	Mr. Shamsuddoha	6	5	5,600	28,000
08	Mr. Kazi Nazimul Islam	6	6	5,600	33,600
09	Mr. Md. Lal Hossain	6	5	5,600	28,000
10	Engr. Md. Akterul Haque	6	3	5,600	16,800
11	Engr. Md. Lokman	6	3	5,600	16,800
<b>Total</b>					<b>263,200</b>

### 33.00 Event After The Reporting period

(i) The Board of Directors in their meeting held on 23 December, 2021 recommended 140% cash dividend amounting Tk. 13,916,000 and 20% Stock Dividend amounting Tk. 1,988,000 for the year ended 30 June 2021. (2020: 30% Cash Dividend amounting Tk. 2,982,000)

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

### 34.00 Contingent Liabilities And Commitments

#### (i) Contingencies

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

#### (ii) Commitments

##### (a) Capital Expenditure

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

### 35.00 Related Party Transactions

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

Name of the Party	Relation	Nature of Transactions	Taka in '000	
			Outstanding as on 30 June 2021	Outstanding as on 30 June 2020
Bangladesh Petroleum Corporation	Parent Company	Service Fee	86,304 Cr.	63,851 Cr.
Bangladesh Petroleum Corporation	Parent Company	Multiple Business	7,463 Dr.	5,827 Dr.
Padma Oil Company Limited	Sister Concern	Current Account	8,611 Cr.	48,148 Cr.
Meghna Petroleum Limited	Sister Concern	Sales	3,360 Dr.	10,785 Dr.
Jamuna Oil Company Limited	Sister Concern	Sales	1,433 Dr.	3,681 Dr.

Quantity in Metric Ton	
30 June 2021	30 June 2020

### 36.00 Capacity Utilization

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

15,000	15,000
1,032	1,576
<b>6.88%</b>	<b>10.51%</b>




37.00 General

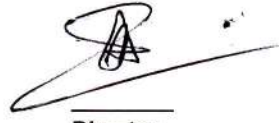
- (i) Figures have been rounded off to the nearest thousand Taka. Previous years' figures were re-arranged where necessary to conform to current year's presentation.
- (ii) No money was spent by the Company for compensating any members of the Board for special services rendered except as stated above.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



Company Secretary



Managing Director & CEO



Director



Director

