

ANNUAL REPORT

2017 - 2018



Eastern Lubricants Blenders Limited

Letter of Trasmittal

To
All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms
Dhaka Stock Exchange Ltd.

Dear Sir (s)

Annual Report for the year ended 30 June 2018

We are Pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2018 along with notes thereon for your kind information and record.

Yours sincerely



(Ali Absar)

Company Secretary

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Company Profile

CORPORATE HEADQUARTER	: STRAND ROAD, SADARGHAT, CHATTOGRAM -4000. BANGLADESH.
PLANT	: GUPTAKHAL, PATENGA, CHATTOGRAM, BANGLADESH.
DATE OF INCORPORATION	: 22 OCTOBER 1963
BUSINESS LINE	: BLENDING OF LUBRICATING OILS AND GREASES, IMPORT OF BASE OIL AND MARKETING OF 'YUASA' BRAND BATTERY
LISTING STATUS	: PUBLIC LIMITED COMPANY
STOCK EXCHANGE LISTING	: DHAKA STOCK EXCHANGE LIMITED.
AUTHORIZED CAPITAL	: 50.00 MILLION TAKA
PAID UP CAPITAL	: 9.94 MILLION TAKA
NUMBER OF SHARES	: 994,000
NUMBER OF SHAREHOLDERS	: 1659
AUDITORS	: M/S. HUSSAIN FARHAD & CO., CHARTERED ACCOUNTANTS AND M/S. AHMAD & AKHTAR CO., CHARTERED ACCOUNTANTS

৫০ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এই বিজ্ঞপ্তির মাধ্যমে জানানো যাচ্ছে যে, এ কোম্পানির ৫০তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ১৯ জানুয়ারি, ২০১৯ (০৬ মাঘ, ১৪২৫ বঙ্গাব্দ) শনিবার বেলা ১১.০০ টায় 'মোটেল সৈকত', বাংলাদেশ পর্যটন কর্পোরেশন, স্টেশন রোড, চট্টগ্রামে অনুষ্ঠিত হবে।

আলোচ্যসূচি :

- ০১। ২৭ জানুয়ারি, ২০১৮ তারিখে অনুষ্ঠিত ৪৯তম বার্ষিক সাধারণ সভার কার্যবিবরণী অনুমোদন;
- ০২। ২০১৮ সালের ৩০ জুন সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণীসমূহ, পরিচালকমন্ডলীর প্রতিবেদন এবং নিরীক্ষকদের প্রতিবেদন গ্রহণ এবং অনুমোদন;
- ০৩। ২০১৮ সালের ৩০ জুন সমাপ্ত বছরের জন্য লভ্যাংশ ঘোষণা;
- ০৪। পরিচালকমন্ডলীর নির্বাচন/পুনর্নির্বাচন;
- ০৫। ইন্ডিপেন্ডেন্ট পরিচালকদের নিয়োগ অনুমোদন;
- ০৬। ২০১৯ সালের ৩০ জুন সমাপ্ত বছরের জন্য যুগ্ম-নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ;
- ০৭। ২০১৯ সালের ৩০ জুন সমাপ্ত বছরের জন্য কর্পোরেট গভর্নেন্স প্রতিপালন কোড এর সার্টিফিকেট ইস্যুর জন্য ব্যবসায়েরত প্রফেশনাল অ্যাকাউন্ট্যান্ট/সেক্রেটারি নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

বিশেষ আলোচ্যসূচি:

Special Business:

(1) To amend the clause Nos. 76(2nd part) and clause 77 of the Articles of Association of the Company for increasing the number of Independent Director in the Board of Directors of the Company as per directives of Bangladesh Securities & Exchange Commission (BSEC) and if thought fit to pass the following resolution as special.

Resolution:

To amend the clause Nos. 76 (2nd part) and 77 of the Articles of Association of the Company as noted bellow :

Existing Clause of the Articles of Association:	To be amended as and substituted by:
76(2nd part). All subsequent Boards shall consist of 7 (Seven) Directors of whom five shall be elected/ appointed from amongst the nominees of Bangladesh Petroleum Corporation and for the remaining two, one shall be elected from amongst the remaining shareholders who are Bangladesh Nationals and other one shall be appointed by the Board of Directors as Independent Director.	76(2nd part). All subsequent Boards shall consist of 6 (Six) Directors of whom five shall be elected/appointed from amongst the nominees of Bangladesh Petroleum Corporation and the remaining one shall be elected from amongst the remaining shareholders who are Bangladesh Nationals. But the requisite Independent Directors shall be appointed by the Board of Directors as per directives of Bangladesh Securities & Exchange Commission (BSEC).
77. Until otherwise determined by the Company in General Meeting the number of the Directors shall not be less than five and more than seven.	77. Until otherwise determined by the Company in General Meeting the number of the Directors shall not be less than five and more than six excluding the requisite Independent Directors as per directives of Bangladesh Securities & Exchange Commission (BSEC).

১৩ পৌষ, ১৪২৫

২৭ ডিসেম্বর, ২০১৮

স্ট্র্যান্ড রোড, সদরঘাট, চট্টগ্রাম।

পরিচালনা পর্ষদের নির্দেশক্রমে



(আলী আবছার)

কোম্পানি সচিব

দ্রষ্টব্য :**০১। রেকর্ড ডেট :**

রেকর্ড ডেট ৩০ ডিসেম্বর, ২০১৮। রেকর্ড ডেট-এ সিডিবিএল ডিপোজিটরি রেজিস্টার এবং কোম্পানির সদস্য বইতে নিবন্ধিত শেয়ারহোল্ডারগণ বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার এবং অনুমোদিত লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।

০২। প্রস্তুতি :

একজন সদস্য যিনি বার্ষিক সাধারণ সভায় উপস্থিত থাকার এবং ভোট প্রদানের অধিকারী তিনি তাঁর পক্ষে উপস্থিত থাকতে এবং ভোট দানের জন্য অন্য একজন সদস্যকে প্রক্সি নিয়োগ করতে পারেন। সভা অনুষ্ঠানের জন্য নির্ধারিত সময়ের ৭২ ঘন্টা পূর্বে প্রক্সি ফরম নিয়মানুযায়ী স্ট্যাম্প সহকারে পূরণ করে কোম্পানির রেজিস্টার্ড অফিসে অবশ্যই জমা দিতে হবে।

০৩। শেয়ারহোল্ডার পরিচালক নির্বাচন :

(ক) বাংলাদেশ পেট্রোলিয়াম কর্পোরেশন ব্যতীত বাকি অন্য শেয়ারহোল্ডারদের পক্ষ হতে শেয়ারহোল্ডার পরিচালক নির্বাচনের মনোনয়নপত্র ৩০ ডিসেম্বর ২০১৮ থেকে ৭ জানুয়ারি ২০১৯ পর্যন্ত কোম্পানির প্রধান কার্যালয়ে অফিস চলাকালীন সময়ে পাওয়া যাবে।

(খ) মনোনয়নপত্র যথাযথ পূরণ ও স্বাক্ষর করে প্রয়োজনীয় কাগজপত্রাদিসহ কোম্পানির প্রধান কার্যালয়, স্ট্র্যাণ্ড রোড, সদরঘাট, চট্টগ্রামে ১০ জানুয়ারি ২০১৯ তারিখের মধ্যে অবশ্যই জমা দিতে হবে।

(গ) মনোনয়ন প্রত্যাহারের শেষ দিন ১৩ জানুয়ারি ২০১৯।

(ঘ) যথাযথ বাছাইয়ের পর যোগ্য পরিচালক পদপ্রার্থীদের চূড়ান্ত তালিকা ১৪ জানুয়ারি ২০১৯ তারিখে কোম্পানির প্রধান কার্যালয়ের নোটিশ বোর্ডে প্রকাশ করা হবে।

বি.দ্র. কোম্পানির বার্ষিক প্রতিবেদন' ২০১৭-১৮ এর সফট ফরম (Soft form) যথাসময়ে সম্মানিত শেয়ারহোল্ডারদের বিও অ্যাকাউন্টে উল্লেখিত ই-মেইল আইডিতে প্রেরণ করা হবে। তাছাড়া, আগ্রহী শেয়ারহোল্ডারগণ লিখিত অনুরোধ পত্রের মাধ্যমে কোম্পানির রেজিস্টার্ড অফিস কিংবা এজিএম ভেন্যু থেকে বার্ষিক প্রতিবেদন' ২০১৭-১৮ এর ছাপানো কপি সংগ্রহ করতে পারবেন।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক নোটিফিকেশন নং-এসইসি/এসআরএমআই/২০০০-৯৫৩/১৯৫০ তাং ২৪ অক্টোবর, ২০০০-এ বর্ণিত (সি) ধারা অনুযায়ী বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারদের উপস্থিতির জন্য কোনরূপ গিফট/নগদ সুবিধা প্রদানের ব্যবস্থা থাকবে না।

কেবলমাত্র হাজিরাপত্র উপস্থাপন সাপেক্ষে হলে প্রবেশ করতে অনুরোধ করা যাচ্ছে।

NOTICE OF THE 50th ANNUAL GENERAL MEETING

Notice is hereby given that the 50th Annual General Meeting of the Company will be held on Saturday, 19 January, 2019 (06 Magh, 1425) at 11.00 am at "Motel Shaikat", Bangladesh Parjatan Corporation, Station Road, Chattogram to transact the following business:

AGENDA:

1. To confirm the minutes of the 49th Annual General Meeting held on 27 January 2018;
2. To receive and adopt the Directors' Report and Auditors' Report and the Audited Financial Statements of the Company for the year ended 30th June, 2018;
3. To declare dividend for the year ended 30th June, 2018;
4. To elect/re-elect Directors;
5. To approve the appointment of Independent Directors;
6. To appoint Joint Auditors and fix their remuneration for the year ending 30th June, 2019;
7. To appoint practicing Professional Accountant/Secretary for issuing certificate regarding Compliance of Corporate Governance Code and fix their remuneration for the year ending 30th June, 2019.

Special Business:

(1) To amend the clause Nos. 76(2nd part) and clause 77 of the Articles of Association of the Company for increasing the number of Independent Director in the Board of Directors of the Company as per directives of Bangladesh Securities & Exchange Commission (BSEC) and if thought fit to pass the following resolution as special.

Resolution:

To amend the clause Nos. 76 (2nd part) and 77 of the Articles of Association of the Company as noted below :

Existing Clause of the Articles of Association:	To be amended as and substituted by:
76(2nd part). All subsequent Boards shall consist of 7 (Seven) Directors of whom five shall be elected/ appointed from amongst the nominees of Bangladesh Petroleum Corporation and for the remaining two, one shall be elected from amongst the remaining shareholders who are Bangladesh Nationals and other one shall be appointed by the Board of Directors as Independent Director.	76(2nd part). All subsequent Boards shall consist of 6 (Six) Directors of whom five shall be elected/appointed from amongst the nominees of Bangladesh Petroleum Corporation and the remaining one shall be elected from amongst the remaining shareholders who are Bangladesh Nationals. But the requisite Independent Directors shall be appointed by the Board of Directors as per directives of Bangladesh Securities & Exchange Commission (BSEC).
77. Until otherwise determined by the Company in General Meeting the number of the Directors shall not be less than five and more than seven.	77. Until otherwise determined by the Company in General Meeting the number of the Directors shall not be less than five and more than six excluding the requisite Independent Directors as per directives of Bangladesh Securities & Exchange Commission (BSEC).

13 Poush, 1425
27th December, 2018
Strand Road, Sadarghat, Chattogram.

By order of the Board of Directors


 (Ali Absar)
 Company Secretary

Notes:**01. Record Date:**

The Record Date was 03 December 2018. The Shareholders whose names appearing in the CDBL Depository Register and Share Register of the Company on the Record Date will be eligible to attend the Annual General Meeting and receive the dividend.

02. Proxy:

A Member entitled to attend and vote at the Annual General Meeting may appoint a Shareholder for Proxy to attend and vote on his/her behalf. In order to be effective, the Proxy Form duly signed and stamped must be submitted at the Company's Registered Office not later than SEVENTY TWO HOURS before the Meeting.

03 Election of the Shareholder Director:

- a) Nomination Form for Shareholder Director Election from remaining Shareholders except BPC, is available at the Registered office of the Company from 30 December 2018 to 7 January 2019 during Office hours;
- b) The Nomination Forms duly completed and signed with relevant supporting papers should reach the Company's Registered Office, Strand Road, Sadarghat, Chattogram by 10th January 2019;
- c) The withdrawal date of the Nomination Form is 13th January 2019;
- d) The final list of eligible candidates for Director after scrutiny will be notified in the Notice Board at the Registered Office of the Company on 14th January 2019.

Special Note:

The Annual Report of the Company in soft form will be sent to the e-mail address of the shareholders as have been found available in their BO Account with the Depository. Besides, the shareholders may collect the Annual Report from Registered Office of the company or from AGM venue by submitting written request beforehand.

No gift or benefit in cash or kind shall be paid to the holders of the equity securities in terms of Clause (C) of the BSEC's Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending this AGM of the Company.

Entry to the Meeting room will be strictly on production of the attendance slip.

Board of Directors

Md. Shamsur Rahman

Secretary in-charge
Govt. of the People`s Republic of Bangladesh
Chairman, Bangladesh Petroleum Corporation
Chairman, BPC Board
Chairman, ELBL Board
Chairman, JOCL Board
Chairman, LPGL Board
Director, ERL Board
Director, Bangladesh Petroleum Institute



Md. Sarwar Alam

Joint Secretary
Govt. of the People`s Republic of Bangladesh
Director (Marketing), BPC
Director, ELBL Board
Director, JOCL Board
Director, MPL Board
Director, LPGL Board

Dr. Muhammad Moniruzzaman

Deputy Secretary
Energy & Mineral Resources Division
Ministry of Power, Energy & Mineral Resources
Director, Pashchimanchal Gas Co. Ltd. Board



Quazi Mohammed Hasan

Deputy Secretary
Govt. of the People`s Republic of Bangladesh
Secretary, BPC
Director, ELBL Board
Director, LPGL Board



Mohammed Abdul Awwal
Shareholder Director, ELBL
Shareholder Director, POCL
Chairman
Bengal Shipping Line Ltd.
Chattogram.



Munshi Golam Mostofa
Independent Director, ELBL Board
Advocate
Judge Court, Khulna
Supreme Court, Dhaka



Md. Quamrul Hasan
Independent Director, ELBL Board
Director, Islami Bank Bangladesh Ltd. Board
Member, Islami Bank Foundation, Dhaka.



Mohiuddin Ahmed
Managing Director



Ali Absar
Company Secretary

Key Management

Mohiuddin Ahmed
Managing Director



Ali Absar
Company Secretary

Md. Rezaul Karim Siddique
Chief Financial Officer



Mohammad Shafiul Azam
Head of Internal Audit & Compliance

49th Annual General Meeting

The Forty Ninth Annual General Meeting (AGM) of Eastern Lubricants Blenders Limited was held on Saturday the 27th January, 2019 (14 Magh, 1424) at 11.00 am at 'Motel Saikat', Bangladesh Parjatan Corporation, Station Road, Chattogram.

Mr. Abu Hena Md. Rahmatul Muneem, Chairman of the Board and BPC presided over the meeting. Mr. Mir Ali Reza, Director, Mr. Quazi Mohammed Hasan, Director, Mr. Shahjahan Majumder, FCA, Independent Director, Mr. Md. Masudur Rahman, Executive Director and Mr. Mohiuddin Ahmed, Company Secretary of the company were present in the Annual General Meeting. In total 266 (Two hundred sixty six) distinguished shareholders of the company attended in the Annual General meeting. After recitation of verse from the Holy Quran, the Chairman welcomed the shareholders in the Annual General Meeting. The meeting started with the Chairman's inviting comments on proceedings of last Annual General Meeting followed by comments on Directors' report and Audited Financial Statements for the year ended 30 June, 2017. The shareholders expressed their keen interest and deep satisfaction to the company.

Mr. Abu Hena Md. Rahmatul Muneem and Mr. Md. Masudur Rahman replied to the queries and explained various comments of distinguished shareholders. The Shareholders approved the audited financial statements and proposed dividend for 100% cash. Sayed Mohammed Mozammel Haque, Director and Mr. Md. Masudur Rahman, Executive Director retired from the Board and they were re-elected by the shareholders. Appointment of external auditors M/S. Hussain Farhad & Co. Chartered Accountants and Ahmad & Akhtar Co. Chartered Accountants for the year 2017-2018 was approved by the shareholders. The Meeting ended with a vote of thanks to the chair.

Photographs of 49th AGM



Photographs of 49th AGM



Photographs of 49th AGM





চেয়ারম্যানের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম
সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেড এর পরিচালনা পর্ষদ এবং আমার পক্ষ হতে আপনাদের সকলকে কোম্পানির ৫০তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। দাবি করা যায় যে, ২০১৭-১৮ অর্থবছরে সফলতার সাথে আমরা আমাদের কার্যক্রম সম্পন্ন করতে পেরেছি। ফলে আপনাদের কোম্পানি এ বছরও ভালো মুনাফা অর্জনের পাশাপাশি প্রতিশ্রুতিবদ্ধ উঁচুমানের সেবা প্রদান, ব্যবসায়িক নৈতিকতা ও নিয়ম শৃঙ্খলা প্রতিপালন, উত্তম গভর্নেন্স অনুশীলন এবং ক্রমাগত শেয়ারহোল্ডারস ভ্যালু উন্নতীকরণ নিশ্চিত করেছে। আমি আপনাদের আন্তরিক ধন্যবাদ জ্ঞাপন করছি আমাদের প্রতি আপনাদের অব্যাহত সমর্থন ও অবিচল আস্থা রাখার জন্য যা আমাদেরকে এই সাফল্য অর্জনে অনুপ্রেরণা যুগিয়েছে। এই অনুষ্ঠানের মধ্যে দিয়ে আমি ২০১৭-১৮ অর্থবছরের আমাদের সফলতা আপনাদের সকলের সাথে ভাগ করে নিতে চাই, আর সে সাথে তুলে ধরতে চাই কোম্পানির ব্যবসায়িক ফলাফলসমূহ।

ব্যবসায়িক সাফল্য

আপনারা সকলেই জানেন বিগত দেড় দশকেরও অধিক সময় ধরে

Chairman's Statement

Bismillahir Rahmanir Rahim
Honorable Shareholders,
Assalamu Alaikum

I on behalf of the Board of Directors of Eastern Lubricants Blenders Limited (ELBL), and myself extend a very warm welcome to all of you at the 50th Annual General Meeting of the Company. It may be claimed that we are able to complete our operations successfully in FY 2017-18. Thus your Company has earned significant profit as well as ensures commitment towards excellence in service, adherence to business ethics and regulations compliance to the norm of good governance and continuous improvement in stakeholder value in the year under review. I would like to express my sincere gratitude to all of you for your continuous support and having faithful confidence on us, which have inspired us in achieving this success. In this occasion, I like to take the opportunity to share with you the pleasure of success as well as highlight the business performance of the Company in FY 2017-18.

Success in Business

You are aware that ELBL's lubricants blending

লুব্রিকেন্টস্ রেলিঙিং ব্যবসা কঠিন সময় অতিক্রম করছে। কোম্পানির মূখ্য কার্যক্রম হলো লুব্রিকেন্টস্ সামগ্রী রেল্ড করা। কিন্তু লুব্রিকেন্টস্ ব্যবসা বেসরকারিকরণের ফলে বেসরকারি পর্যায়ে ফিনিশড লুব্রিকেন্টস্ পণ্য ও লুব বেইস অয়েল আমদানি এবং স্থানীয়ভাবে রেলিঙিং করার অনুমতি পাওয়ার কারণে কোম্পানির উৎপাদন ক্ষমতার এক অষ্টমাংশও ব্যবহার করা সম্ভব হচ্ছে না। ফলে লুব্রিকেন্টস্ রেলিঙিং ব্যবসায় কোম্পানি পরিচালন ক্ষতির সম্মুখীন হচ্ছে। তবে কোম্পানি ২০১৭-১৮ অর্থবছরে লুব্রিকেন্টস্ রেলিঙিংয়ের পরিমাণ গত অর্থবছরের তুলনায় ৯.৫২% বৃদ্ধি করতে সক্ষম হয়েছে। ২০১৭-১৮ অর্থবছরে কোম্পানির লুব্রিকেন্টস্ রেলিঙিংয়ের পরিমাণ ১,৫৭৬ মে.টন যা গত অর্থবছরে ছিল ১,৪৩৯ মে.টন।

আপনারা জানেন কোম্পানির ব্যবসা শুধুমাত্র লুব্রিকেন্টস্ রেলিঙিংয়ের মধ্যে সীমাবদ্ধ না রেখে মুনাফা বৃদ্ধির জন্য কোম্পানির পরিচালনা পর্ষদ কর্তৃক ব্যবসা বহুমুখীকরণের সিদ্ধান্ত গ্রহণ করা হয়। এর ফলে ২০১৫-২০১৬ অর্থ বছর থেকে লুব্রিকেন্টস্ রেলিঙিংয়ের পাশাপাশি ইএলবিএল বেইস অয়েল আমদানি ও 'YUASA' ব্র্যান্ড ব্যাটারি বিপণন শুরু করে। পরিচালনা পর্ষদ, ব্যবস্থাপনা কর্তৃপক্ষ ও কর্মচারীদের সমন্বিত প্রচেষ্টার মাধ্যমে কোম্পানি আলোচ্য অর্থবছরে গত বছরের তুলনায় ২৫% বেশি বেইস অয়েল আমদানি করতে সক্ষম হয়েছে। ২০১৭-১৮ অর্থবছরে বেইস অয়েল আমদানি হয় ২,৫০০ মে.টন যা গত অর্থবছরে ছিল ২,০০০ মে.টন। তবে আলোচ্য অর্থবছরে বেসরকারি পর্যায়ে স্থানীয়ভাবে উৎপাদিত ব্যাটারির সাথে কোম্পানির আমদানিকৃত মানসম্মত ব্যাটারির মূল্যের ক্ষেত্রে তীব্র প্রতিযোগিতার সম্মুখীন হওয়ায় কোম্পানির ব্যাটারি বিক্রয়ের পরিমাণ গত বছরের তুলনায় আলোচ্য বছরে ৩৭.৫২% হ্রাস পেয়েছে।

আর্থিক ফলাফল

আলোচ্য অর্থবছরে কোম্পানির বেইস অয়েল আমদানি বিগত ২০১৬-১৭ অর্থবছরের তুলনায় ২৫.০০% বৃদ্ধি পাওয়া সত্ত্বেও বেইস অয়েল আমদানির খরচ ও এ-সংশ্লিষ্ট কাস্টমস ডিউটি আনুপাতিক হারে বৃদ্ধি পাওয়ার ফলে কোম্পানির বেইস অয়েল ব্যবসার পরিচালন মুনাফা গত অর্থবছরের তুলনায় ৬১.৩৫ লক্ষ টাকা অর্থাৎ ৮.৮১% হ্রাস পায়। অন্যদিকে কোম্পানির কর্মকর্তা-কর্মচারীদের বার্ষিক বেতন বৃদ্ধি ও দ্রব্য মূল্যের উর্ধ্বগতির কারণে আনুষঙ্গিক খরচ বৃদ্ধি পায়। এতে প্রশাসনিক ও সাধারণ খরচ গত বছরের চেয়ে ২৪.৮৫% বৃদ্ধি পেয়েছে। ফলে আলোচ্য অর্থবছরে কোম্পানির করপূর্ব মুনাফা গত অর্থবছরের তুলনায় ৬১.৯৫ লক্ষ টাকা অর্থাৎ ১১.৪৩% হ্রাস পায়। ২০১৭-১৮ অর্থবছরে কোম্পানির করপূর্ব মুনাফা অর্জিত হয়েছে ৪৮০.১৯ লক্ষ টাকা যা গত অর্থবছর ছিল ৫৪২.১৪ লক্ষ টাকা। যার ফলে কোম্পানির

business has been passing through strain for its existence over one and half decades. The principal activity of the Company is the blending of lubricants products. As a result of privatization of lubricants business, import of finished lube products, lube base oil and local blending by private sector has increased significantly, because of which capacity utilization of ELBL has gone down to one eighth. Thus, the Company has been incurring operating loss in lubricants blending business. However, the Company has managed to increase the total quantity of lubricants blending in the reported year by 9.52% as compared to the last year. During the year the quantity of lubricants blending was 1,576 MT as against 1,439 MT in the last year.

As you know that the Board of Directors took decision in order to diversify its business towards the various profitable sectors along with the blending business to increase the profit. As a result, ELBL started import of base oil and marketing of 'YUASA' brand battery side-by-side lubricants blending in FY 2015-2016. In testimony to concerted efforts from the Board of Directors, Management and Officials, the Company was able to import base oil by 25% more in FY 2017-18 compared to the last year. During the year under review, the Company imported 2,500 MT base oil against 2000 MT of the previous year. But we could not increase our sale of battery due to stiff competition in the battery market as import price of our quality products is higher than that of locally produced battery price in private sector. As a result, during the reported year the sale of battery was decreased by 37.52% compared to the last year.

Financial Result

In spite of increase of base oil import by 25.00% in the year under review compared to the FY 2016-17, operating profit on base oil business decreased in this year by 61.35 lac i.e. 8.81% compared to the last year due to increase of import cost and customs duty. On the other hand, due to yearly increment of employees' salary and price hike of the goods the Administrative & General Expenses increased by 24.85 percent compared to the last year. Thus, during the year under review, Company's Net profit before tax decreased by 61.95 lac i.e. 11.43% compared to the last year. The Company's profit before tax stood at Taka 480.19 lac as against Taka 542.14 lac of the previous year. Accordingly Company's Return on Equity and Earning per Share are also lower in this fiscal year than that of the previous fiscal. The Company's Return on Equity stood at 21.40% in this fiscal year as against 28.65%

রিটার্ন অন ইকুয়িটি গত বছরের ২৮.৬৫% হতে হ্রাস পেয়ে দাঁড়িয়েছে ২১.৪০% এবং শেয়ার প্রতি আয় গত বছরের ৪১.০০ টাকা হতে হ্রাস পেয়ে দাঁড়িয়েছে ৩৬.২৩ টাকা।

লভ্যাংশ

কোম্পানির পরিচালনা পর্ষদের নিকট শেয়ারহোল্ডারদের প্রাপ্যতা সবসময় প্রধান অগ্রাধিকার বিষয় হিসেবে বিবেচিত হয়। গত দুই বছরের ধারাবাহিকতায় আলোচ্য অর্থবছরেও কোম্পানির পরিচালনা পর্ষদ কর্তৃক শেয়ারহোল্ডারদের জন্য ১০০% হারে নগদ ডিভিডেন্ড প্রদানের জন্য সুপারিশ করা হয়েছে।

আমাদের লক্ষ্য : ২০১৮-১৯

আগামী বছরে আমাদের লক্ষ্য থাকবে বিগত তিন অর্থবছরের সাফল্য অব্যাহত রাখা। কোম্পানিকে একটি শক্তিশালী অবস্থানে নেয়ার জন্য আমরা অবিরাম চেষ্টা করে যাচ্ছি। বর্তমানে প্রতিযোগিতামূলক বাজারে মার্কেট শেয়ার বৃদ্ধির জন্য আপগ্রেড লুব্রিকেন্টস পণ্যের ব্লেন্ডিং উপযোগীকরণের লক্ষ্যে বহু বছরের পুরানো কোম্পানির বর্তমান ব্লেন্ডিং প্ল্যান্টটির আধুনিকীকরণের প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য পর্ষদ কর্তৃক সিদ্ধান্ত গৃহীত হয়েছে। আমরা বিশ্বাস করি আগামী বছরসমূহে কোম্পানির পরিচালনা পর্ষদের উদ্ভাবিত ব্যবসা বহুমুখীকরণের কৌশল, ব্যবস্থাপনা কর্তৃপক্ষ এবং কর্মচারীদের কোম্পানির প্রতি দায়বদ্ধতা কোম্পানির গুণগত সম্পদ বৃদ্ধি ও অধিকতর মুনাফা অর্জন এবং তৎপ্রেক্ষিতে আমাদের স্টেকহোল্ডারদের কাজিত ফল অর্জনে প্রভূত সাহায্য করবে।

ধন্যবাদ ও কৃতজ্ঞতা

পরিশেষে আমি অশেষ কৃতজ্ঞতা ও ধন্যবাদ জানাই পরিচালনা পর্ষদের প্রত্যেক সদস্যকে তাঁদের সমষ্টিগত প্রচেষ্টার জন্য, কর্মকর্তা-কর্মচারীবৃন্দ এবং ব্যবস্থাপনা টিমকে তাঁদের অব্যাহত উদ্যোগ ও সহযোগিতার জন্য, বাংলাদেশ পেট্রোলিয়াম কর্পোরেশনকে তাঁদের দিক নির্দেশনা প্রদানের জন্য, আমাদের ব্যবস্থাপনা প্রতিনিধি পদ্মা অয়েল কোম্পানী লিমিটেডকে তাঁদের পৃষ্ঠপোষকতা ও অব্যাহত সহযোগিতার জন্য এবং সর্বোপরি সম্মানিত গ্রাহকগণকে আমাদের উপর তাদের অবিচল আস্থা রাখার জন্য। এছাড়া বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ এবং সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিমিটেডসহ অন্যান্য নিয়ন্ত্রক কর্তৃপক্ষকে বিশেষভাবে ধন্যবাদ জানাই তাদের সহযোগিতা ও দিক নির্দেশনার জন্য।

সর্বশক্তিমান আল্লাহ আমাদের সহায় হোন।



(মোঃ সামছুর রহমান)
চেয়ারম্যান

of the last fiscal year and Earning per Share stood at Taka 36.23 in this fiscal year as against taka 41.00 of the previous fiscal year.

Dividend

Shareholders' return is always key priority to the Board of Directors of the Company. The Board of Directors of the Company has yet again recommended 100% cash dividend for the shareholders during the year under review.

Focus on 2018-19

Our aim for the next year is to keep up the success what we have achieved in last three years. We want to take our business more forward. We have been trying relentlessly to take the company in a strong position. The Board of Directors of the Company took decision for modernization of the Company's existing blending plant to capacitate blending of upgrade lubricants. We do believe that the Board of Directors of the company's innovative diversified business strategies, commitment of its management and staff will generate result to attain quality asset growth and earn more profit, thereby yielding accepted results for our stakeholders in the years to come.

Thanks and Gratitude

I would like to thank each member of the Board of Directors for their collective efforts, the management team and all the officials and staff for their continued initiative and support. I also convey my thanks and profound gratitude to Bangladesh Petroleum Corporation for their guidance & to our Managing Agent Padma Oil Company Limited for their patronage and continuous support, and our valued customers for their confidence reposed on us. Besides, my special thanks go to Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd. and Central Depository Bangladesh Ltd. as well as other regulatory authorities for their cooperation and guidance.

May Allah help us.



(Md. Shamsur Rahman)
Chairman

পরিচালকমন্ডলীর প্রতিবেদন

বিসমিল্লাহির রাহমানির রাহিম
সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেডের পরিচালনা পর্ষদ আপনাদের নিকট কোম্পানির ৩০ জুন ২০১৮ খ্রি. তারিখে সমাপ্ত বছরের পরিচালকমন্ডলীর প্রতিবেদন ও নিরীক্ষকের প্রতিবেদনসহ নিরীক্ষিত হিসাব বিবরণী কোম্পানির ৫০তম বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারবৃন্দের নিকট বিবেচনা ও অনুমোদনের জন্য উপস্থাপন করতে পেরে আনন্দিত। ২০১৭-১৮ অর্থবছরে ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেড আরেকটি সফল বছর অতিক্রম করেছে। পরিচালকমন্ডলীর প্রতিবেদনে ২০১৭-১৮ অর্থবছরের অর্থনৈতিক পরিস্থিতি, লুব্রিকেন্টস্ ব্লেন্ডিং শিল্পের চিত্র, কোম্পানির আর্থিক, পরিচালন ও কর্পোরেট গভর্নেন্সের দায়িত্ব পালনের কার্যক্রম উপস্থাপনসহ কোম্পানির সার্বিক অবস্থান ও ভবিষ্যৎ সম্ভাবনার উপর আলোকপাত করা হয়েছে।

আর্থিক বিবরণীসমূহ প্রস্তুতকরণ

ইএলবিএল এর আর্থিক বিবরণীসমূহ কোম্পানির কার্যক্রম এবং এর পরিচালন, নগদ প্রবাহ ও ইকুয়িটি পরিবর্তনের ফলাফলের উপর একটি সঠিক ও স্বচ্ছ বিবরণ প্রদান করে। উপস্থাপিত হিসাব বিবরণীসমূহ বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস্ ১৯৮৭ এর সংশ্লিষ্ট তফসিল, কোম্পানি আইন ১৯৯৪ এর সংশ্লিষ্ট ধারা এবং বাংলাদেশ হিসাব মান (বিএএস) ও বাংলাদেশ আর্থিক মান (বিএফআরএস) অনুযায়ী প্রস্তুত করা হয়েছে। এতে আমাদের শেয়ারহোল্ডারদের নিকট কোম্পানির সার্বিক ব্যবসায়িক কার্যক্রমের একটি সঠিক ও স্বচ্ছ বিবরণ তুলে ধরা হয়েছে। হিসাব বিবরণীসমূহ ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুত করা হয়েছে যা পরিচালনা পর্ষদ কর্তৃক অনুমোদিত হয়েছে এবং বার্ষিক সাধারণ সভায় নিয়োগপ্রাপ্ত বহিঃনিরীক্ষকদ্বয় কর্তৃক নিরীক্ষিত হয়েছে।

অর্থনৈতিক পরিস্থিতি

বাংলাদেশের অর্থনীতি ২০১৭-১৮ অর্থবছরে তার টেকসই প্রবৃদ্ধির ধারা অক্ষুণ্ন রাখতে সক্ষম হয়েছে। অর্থনীতির প্রধান নিয়ামকসমূহের সুষম উন্নয়ন ইঙ্গিত বহন করে যে, আলোচ্য বছরে দেশের সার্বিক অর্থনৈতিক পরিস্থিতি অনুকূলে ছিল। আলোচ্য বছরে দেশের অর্থনীতির প্রবৃদ্ধি ছিল ধারাবাহিক, কৃষি ও শিল্প খাতের প্রবৃদ্ধি বৃদ্ধি পায়, মূল্যস্ফীতি সারাবছর নিয়ন্ত্রণে ছিল এবং বৈদেশিক মুদ্রার স্থিতি সন্তোষজনক পর্যায়ে বজায় ছিল।

বাংলাদেশ পরিসংখ্যান ব্যুরোর (বিবিএস) সাময়িক প্রাক্কলিত হিসাব অনুসারে ২০১৭-১৮ অর্থবছরে মোট দেশজ উৎপাদনের (জিডিপি) প্রবৃদ্ধির হার ছিল ৭.৬৫ শতাংশ যা ২০১৬-১৭ অর্থবছরের চূড়ান্ত হিসাব অনুসারে ছিল ৭.২৮ শতাংশ (২০০৫-০৬ বছরের ভিত্তি মূল্য হিসাবে)। অর্থাৎ ২০১৭-১৮ অর্থবছরে বিবিএস এর প্রাক্কলিত হিসাব অনুসারে দেশের জিডিপির প্রবৃদ্ধি হার গত অর্থবছরের চেয়ে ০.৩৭% বেশি।

বিবিএস এর সাময়িক প্রাক্কলিত হিসাব অনুসারে ২০১৭-১৮ অর্থবছরে দেশের শিল্প খাতের প্রবৃদ্ধি গত বছরের ১০.২২ শতাংশ প্রবৃদ্ধি থেকে ১.৭৭ শতাংশ বৃদ্ধি পেয়ে হয় ১১.৯৯ শতাংশ।

Board of Directors' Report

Bismillahir Rahmanir Rahim
Honorable Shareholders,
Assalamu Alaikum

The Board of Directors of Eastern Lubricants Blenders Limited has the pleasure in submitting the Directors' Report together with the audited Financial Statements for the year ended 30 June 2018 and the Auditors' Report thereon to our valued shareholders at the 50th Annual General Meeting for their consideration and approval. Eastern Lubricants Blenders Limited has passed another successful year during 2017-18. The Directors' Report contains an overview of the economic situation, outlook of the lubricants blending industry, the financial, operating and corporate responsibility performance of the company for the year 2017-18 and highlights the total position and future prospect of the Company.

Preparation of Financial Statements

Financial Statements of ELBL present a correct and fair view of the state of affairs of the company and the results of its operation and cash flow and changes in equity. The presented financial statements have been prepared in compliance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and in accordance with the relevant requirements of the schedule to the Bangladesh Securities and Exchange Rules 1987, in conformity with the Companies Act 1994 and to give a correct and fair view of the total business activities of the Company to our shareholders. The financial statements are prepared by the management and approved by the Board of Directors and audited by external auditors appointed in the Annual General Meeting.

Economic Situation

Bangladesh economy managed to maintain the growth momentum in FY 2017-18. The overall economic situation was positive during the year under review as indicated by steady improvements in the major economic indicators. The economy experienced stable growth, the agriculture and industry sectors registered higher growth, inflation was under control and foreign exchange reserves remained at comfortable level in the reported year.

According to provisional estimate of Bangladesh Bureau of Statistics (BBS), the GDP growth rate stood at 7.65 percent during the year 2017-18 which is 0.37 percentage point above the GDP growth rate of 7.28 percent achieved in the previous fiscal year of 2016-17 (based on 2005-2006 as base year).

According to provisional estimate of Bangladesh Bureau of Statistics (BBS), the industrial sector grew at 11.99 percent

জিডিপিতে শিল্প খাতের অবদান গত অর্থবছরের ৩২.৪২ শতাংশ থেকে বৃদ্ধি পেয়ে আলোচ্য অর্থবছরে ৩৩.৭১ শতাংশে দাঁড়িয়েছে। বাংলাদেশের অর্থনীতিতে কৃষিখাত হচ্ছে সবচেয়ে গুরুত্বপূর্ণ খাত। এই খাতে দেশের মোট শ্রমশক্তির ৪৭.৫ শতাংশ নিয়োজিত আছে এবং বিবিএস এর সাময়িক প্রাক্কলিত হিসাব অনুসারে ২০১৭-১৮ অর্থবছরে জিডিপিতে এই খাতের অবদান প্রায় ১৪.১০ শতাংশ। এবছর কৃষি খাতে প্রবৃদ্ধি গত বছরের ২.৯৭ শতাংশ থেকে বৃদ্ধি পেয়ে দাঁড়ায় ৩.০৬ শতাংশে। বাংলাদেশ পরিসংখ্যান ব্যুরোর সাময়িক প্রাক্কলিত হিসাব অনুযায়ী ২০১৭-১৮ অর্থবছরে সেবা খাতের প্রবৃদ্ধি ২০১৬-১৭ অর্থবছরের ৬.৬৯ শতাংশ হতে ০.৩৬ শতাংশ হ্রাস পেয়ে ২০১৭-১৮ অর্থবছরে দাঁড়ায় ৬.৩৩ শতাংশ।

২০১৭-১৮ অর্থবছরের গড় মূল্যস্ফীতির হার গত অর্থবছরের তুলনায় ০.৩৪ শতাংশ বৃদ্ধি পেয়ে দাঁড়ায় ৫.৭৮ শতাংশ। সরকার কর্তৃক ২০১৭-১৮ অর্থবছরের গড় মূল্যস্ফীতির হার ৫.৫ শতাংশের মধ্যে নিয়ন্ত্রণে রাখার লক্ষ্যমাত্রা নির্ধারণ করা হয়েছিল।

লুব্রিকেন্টস ব্লেন্ডিং শিল্প

বাংলাদেশে বিগত দেড় দশকেরও অধিক সময় ধরে লুব্রিকেন্টস ব্লেন্ডিং ব্যবসা কঠিন সময় অতিক্রম করেছে। লুব্রিকেন্টস ব্যবসা বেসরকারিকরণের ফলে ২০০১ সাল থেকে বেসরকারি খাতে লুব্রিকেন্টস ফিনিশড প্রোডাক্টস হিসেবে আমদানি হচ্ছে। ন্যূনতম মান নিশ্চিত করার জন্য ননএডিটিভ (অটোমোটিভ লুব অয়েল) ব্লেন্ডিং, আমদানিকরণ এবং বিপণন নিষিদ্ধ করা হয়। ন্যূনতম এপিআই মান নির্ধারণ করা হয় এসসি/সিসি। তখন থেকে বাংলাদেশের লুব্রিকেন্টসের বাজারে বিভিন্ন ব্র্যান্ডের লুব্রিকেন্টস পণ্য প্রবেশ করে। লুব্রিকেন্টস বাজার উদারীকরণের ফলে বাংলাদেশে প্রায় ১১টি বেসরকারি ব্লেন্ডিং প্ল্যান্ট স্থাপিত হয়। ২০০২ সাল হতে বিভিন্ন প্রাইভেট লুব অয়েল ব্লেন্ডিং কোম্পানি কর্তৃক এডিটিভ ট্রিটেড (নিম্নতর প্রান্তিক পণ্য হিসেবে গণ্য; এসসি/সিসি গ্রেড) লুব অয়েল বিক্রয়ের ফলে সরকারি তেল বিপণন কোম্পানিসমূহের মার্কেট শেয়ারে বড় ধরনের রদবদল ঘটে। বর্তমানে দেশে লুব্রিকেন্টসের বাজার আনুমানিক ১.৮০ লক্ষ মে.টন। তন্মধ্যে ৬০ শতাংশ আসে ফিনিশড লুব প্রোডাক্টস আমদানির মাধ্যমে এবং চল্লিশ শতাংশের মতো লুব্রিকেন্টস অয়েল স্থানীয়ভাবে প্রক্রিয়াজাতকরণ করা হয়। দেশের লুব্রিকেন্টস ব্লেন্ডিং শিল্পে সরকারি ও বেসরকারি খাত মিলে প্রায় ৫০টি প্রতিষ্ঠান বিভিন্ন ব্র্যান্ডের লুব অয়েল বাজারজাত করছে। কিন্তু লুব্রিকেন্টস শিল্পে প্রতিদ্বন্দ্বিতার তুলনায় এর বাজার ছোট। তদুপরি আন্তর্জাতিক বাজারে বেইজ অয়েলের দুষ্প্রাপ্যতাও স্থানীয়ভাবে প্রক্রিয়াজাতকরণকে নিরংসাহিত করে।

অতীতে লুব ব্যবসা সম্পূর্ণভাবে বাংলাদেশ পেট্রোলিয়াম কর্পোরেশন কর্তৃক পরিচালিত হতো। তখন ব্লেন্ডিং কাজে ইএলবিএল প্ল্যান্ট সারা বছর সচল থাকত। কিন্তু বেসরকারি প্রতিষ্ঠানসমূহ ফিনিশড প্রোডাক্টস ও লুব বেইস অয়েল আমদানি এবং স্থানীয়ভাবে ব্লেন্ডিং করার অনুমতি পাওয়ার ফলে বিগত ১৫ (পনের) বছর ধরে ইএলবিএল এর লুব অয়েল প্রক্রিয়াজাতকরণের পরিমাণ ক্রমশ নিম্নমুখী। ১৯৯৬-৯৭ অর্থবছরে ইএলবিএল এর ব্লেন্ডিংয়ের পরিমাণ ছিল ২১.৮৭৮ মে.টন। সেটা ক্রমশ হ্রাস পেয়ে ২০১৭-১৮ অর্থবছরে ব্লেন্ডিংয়ের

in FY 2017-18, 1.77 percentage point higher than the previous year's 10.22 percent. The share of the industry sector in GDP also increased to 33.71% in FY 2017-18 from 32.42% in FY 2016-17. The agricultural sector is the most important sector in Bangladesh economy. It employed about 47.5 percent of Bangladesh's total labour force and accounted for about 14.10 percent of GDP in this FY 2017-18. Agricultural sector recorded a higher growth of 3.06 percent in FY 2017-18 from 2.97 percent in FY 2016-17. According to BBS provisional estimate, the service sector growth decreased by 0.36 percentage point to 6.33 percent in FY 2017-18 from 6.69 percent in FY 2016-17.

The government had set a target to contain average inflation within 5.5 percent in FY 2017-18. The average inflation stood at 5.78 percent in 2017-18 increased by 0.34% compared to the last year.

Lubricants Blending Industry

The lubricants blending business has been passing through stress and strain for their existence over one and half decades. Due to privatizations of lubricants business since 2001, finished lubricants are being imported in private sector. Blending, importing, and distribution of non-additive (Automotive lube oil) were banned to ensure minimum standard. Minimum API standard was set at SC/CC. Since then, different brands of lubricants entered into the Bangladesh market. The liberalization of the lubricant market encouraged commissioning of about 11 privately owned blending plants in Bangladesh. The sale of additive treated lower-end products (SC/CC grade) by different private lube oil blending companies from the year 2002 causing a major shift in market share of government-owned oil marketing companies. At present, the market size of lubricants in Bangladesh is around 1.80 lac M.Ton. Out of that 60% demand meets through imported finished lubricants and rest of 40% demand is being met by locally blendable lubricants. At present, there exists an immense competition and around 50 numbers of company are doing business under private & public sectors in the lubricants industry of the country. But, the market is not so large in terms of its intense competition in the industry.

In the past, the locally blendable lubricants business in our country was entirely controlled by Bangladesh Petroleum Corporation. ELBL plant used to engage in its blending activities round the year. Due to getting license for import of finished lubricants, lube base oil and local blending in private sectors, the blending volume has been declining at ELBL since last fifteen years. Once, the blending volume of ELBL was 21,878 MT in 1996-97, which now comes down to 1,576 MT during 2017-18. While the Company's total

পরিমাণ দাঁড়ায় ১,৫৭৬ মে.টন। অথচ কোম্পানির ব্লেডিংয়ের উৎপাদন ক্ষমতা প্রায় ২৪,০০০ মে.টন। এ অবস্থা হতে উত্তরণের লক্ষ্যে কোম্পানি ২০১৫-২০১৬ অর্থবছর হতে ব্লেডিং ব্যবসার পাশাপাশি বিভিন্ন লাভজনক ব্যবসা অর্থাৎ বেইস অয়েল আমদানি ও 'YUASA' ব্র্যান্ড ব্যাটারির বিপণন শুরু করে। এতে কোম্পানি বিগত ৩ (তিন) বছরে ব্যবসায়িক সফলতা লাভ করে।

ভবিষ্যৎ সম্ভাবনা

আপনারা জানেন কোম্পানি ২০১৫-১৬ অর্থবছর হতে কোম্পানির মূল ব্যবসা লুব্রিকেন্টস্ ব্লেডিংয়ের পাশাপাশি দু'টি নতুন ব্যবসা বেইস অয়েল আমদানি ও ব্যাটারি বিপণনের ব্যবসা শুরু করে। ২০১৫-১৬, ২০১৬-১৭ ও ২০১৭-১৮ অর্থবছরে বেইস অয়েল বিক্রয়ে কোম্পানি যথাক্রমে ৬২৪.৯০ লক্ষ টাকা, ৬৯৬.১২ লক্ষ টাকা ও ৬৩৪.৭৭ লক্ষ টাকার পরিচালন মুনাফা অর্জন করে। অন্যদিকে, কোম্পানি ব্যাটারি বিপণন ব্যবসায় ২০১৫-১৬, ২০১৬-১৭ ও ২০১৭-১৮ অর্থবছরে যথাক্রমে ১১.৬৩ লক্ষ টাকা, ১৭.৩৯ লক্ষ টাকা ও ১১.৩১ লক্ষ টাকার পরিচালন মুনাফা অর্জন করেছে। ব্যাটারি বিপণন ব্যবসা ও বেইস অয়েল আমদানি গত ৩ (তিন) বছরে কোম্পানির রাজস্ব আয়ে একটি গুরুত্বপূর্ণ ভূমিকা পালন করেছে। এছাড়া বর্তমানে প্রতিযোগিতামূলক বাজারে মার্কেট শেয়ার বৃদ্ধির জন্য আপগ্রেড লুব্রিকেন্টস্ পণ্যের ব্লেডিংয়ের উপযোগীকরণের লক্ষ্যে কোম্পানির বর্তমান পুরানো ব্লেডিং প্ল্যান্টটির আধুনিকীকরণের প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য পর্যদ কর্তৃক সিদ্ধান্ত গৃহীত হয়েছে। তবে ২০১৮-১৯ অর্থবছরে কোম্পানির বর্তমান চলমান ব্যবসাসমূহের সাথে যদি আরও কিছু নতুন ব্যবসা যোগ না করা যায় সেক্ষেত্রে কোম্পানির আয়ের বর্তমান ধারা বজায় রাখা কঠিন হয়ে পড়বে।

ব্যবসায়িক ফলাফল : ২০১৭-১৮

(ক) লুব্রিকেন্টস্ ব্লেডিং

কোম্পানির মূল ব্যবসা লুব্রিকেন্টস্ ব্লেডিংয়ের পরিমাণ গত বছরের তুলনায় বৃদ্ধি পেয়েছে। আলোচ্য অর্থবছরে ইএলবিএল এর লুব্রিকেন্টস্ ব্লেডিংয়ের পরিমাণ ১,৫৭৬ মে. টন, যা গত অর্থবছরের চেয়ে ৯.৫২% বেশি।

কোম্পানির ব্লেডিং ব্যবসা দুটি অংশে বিভক্ত : (ক) লুব্রিকেন্টস্ অয়েল ও (খ) গ্রীজ। ২০১৭-১৮ অর্থবছরের লুব্রিকেন্টস্ অয়েলের ব্লেডিংয়ের পরিমাণ ছিল ১,৫৪৪ মে.টন এবং গ্রীজের পরিমাণ ছিল ৩২ মে.টন, যা ২০১৬-১৭ অর্থবছরে ছিল যথাক্রমে ১,৪০৮ মে.টন এবং ৩১ মে.টন।

(খ) বেইস অয়েল আমদানি

আলোচ্য অর্থ বছরে কোম্পানি বেইস অয়েল আমদানির লক্ষ্যমাত্রা ছিল ২,৫০০ মে.টন। কোম্পানির পরিচালনা পর্যদ ও ব্যবস্থাপনা কর্তৃপক্ষের দক্ষ ব্যবস্থাপনার ফলে কোম্পানি কর্তৃক সে লক্ষ্যমাত্রা অর্জন করা সম্ভব হয়েছে। গত অর্থবছরে কোম্পানি কর্তৃক বেইস অয়েল আমদানির পরিমাণ ছিল ২,০০০ মে.টন। আলোচ্য অর্থবছরে বেইস অয়েল আমদানির পরিমাণ ২,৫০০ মে.টন, যা গত বছরের তুলনায় ২৫.০০% বেশি।

capacity of blending lube oil is near about 24,000 MT. To overcome and improve the awkward situation of the ELBL, the Company has started business of base oil import and marketing of 'YUASA' brand battery in FY 2015-16 in addition to blending business. Thus, the Company got success in the last three years.

Future Prospect

You know that the Company has started two new businesses of base oil import and battery marketing side by side its main business lubricating blending from FY 2015-2016. The Company earned the operating profit of Taka 624.90 lac, 696.12 lac and 634.77 lac in FY 2015-16, 2016-17 and 2017-18 respectively in base oil business. On the other side, the Company earned the operating profit of Taka 11.63 lac and 17.39 lac and 11.31 lac in battery marketing business in FY 2015-16, 2016-17 and 2017-18 respectively. It reveals that business of base oil and battery marketing has played a vital role in Company's revenue income in last three years. Besides, the Board of Directors of the Company took decision for modernization of the Company's existing old blending plant to capacitate blending of upgrade lubricants. But it will be difficult for the company to maintain the flow of earnings achieved in last three years in FY 2018-19 if the Company will not include a few of new businesses in its business portfolio in addition to its existing businesses.

Business Performance: 2017-18

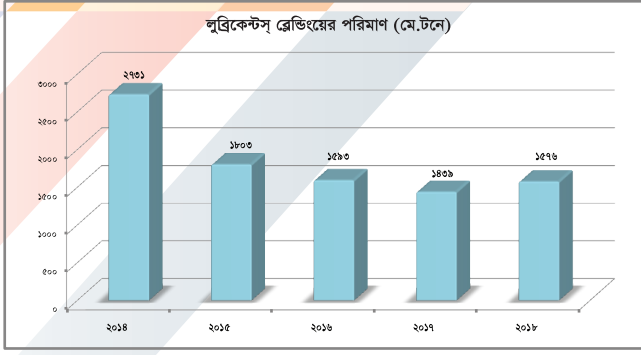
(a) Blending of Lubricants Oil

The Company recorded a higher growth in its principal business of lubricating blending compared to the last year. The blending quantity of ELBL is 1,576 MT in the year under review which was 9.52% higher than that of the previous year.

The Company's blending business has two reportable segments: (a) Lubricating Oil and (b) Grease. The blending quantity of lubricating oil was 1,544 MT and grease was 32 MT in FY 2017-18 which were 1,408 MT and 31 MT respectively in FY 2016-17.

(b) Base Oil business

The target set for import of base oil for the year under review by the Company was 2,500 MT. Due to organized management by the Board of Directors and Management, the Company has able to achieve that target. The Company imported 2,000 MT base oil in the FY 2016-17. During the year under review, base oil was imported 2,500 MT which is 25% higher than that of the previous year.



(গ) ব্যাটারি বিপণন

আলোচ্য বছরে ব্যাটারি বিক্রয়ের পরিমাণ ছিল ১০২৯ টি, যার মোট মূল্য দাঁড়ায় ১০৯.৯৬ লক্ষ টাকা। গত অর্থবছরে ব্যাটারি বিক্রয়ের পরিমাণ ছিল ২,৫৭৫টি, যার মোট মূল্য ছিল ১৭৫.৯৮ লক্ষ টাকা। আলোচ্য অর্থবছরে বেসরকারি পর্যায়ে স্থানীয়ভাবে উৎপাদিত ব্যাটারির সাথে কোম্পানির আমদানিকৃত মানসম্মত ব্যাটারির মূল্যের ক্ষেত্রে তীব্র প্রতিযোগিতার সম্মুখীন হওয়ার ফলে কোম্পানির ব্যাটারি বিক্রয়ের পরিমাণ গত বছরের তুলনায় হ্রাস পেয়েছে ৬৬.০২ লক্ষ টাকা অর্থাৎ হ্রাসের হার ৩৭.৫২%।

আর্থিক ফলাফল

পরিচালকমণ্ডলী ৩০ জুন, ২০১৮ তারিখে সমাপ্ত বছরের উল্লেখযোগ্য আর্থিক ফলাফলের বর্ণনা নিম্নে প্রদান করছে :

লক্ষ টাকায়

বিবরণ	২০১৭-১৮	২০১৬-১৭	পরিবর্তন (%)
পরিচালন মুনাফা/(ক্ষতি)	৪৮৯.৫২	৫৫৯.৪৩	(১২.৫০)
ব্যবসায়িক মুনাফা/(ক্ষতি)	৪৬৮.৪৭	৫৪২.৫৭	(১৩.৬৬)
অপরিচালন আয়	৩৭.৬৪	২৪.৩২	৫৪.৭৭
করপূর্ব মুনাফা	৪৮০.১৯	৫৪২.১৪	(১১.৪৩)
আয়কর বরাদ্দ	(১২০.০৩)	(১৩৪.৬৪)	(১০.৮৫)
করোত্তর মুনাফা	৩৬০.১৬	৪০৭.৫০	(১১.৬২)
মোট কমপ্রিহেনসিভ আয়	৩৬০.১৬	৪০৭.৫০	(১১.৬২)
বাদ: বন্টনের জন্য বোর্ডের সুপারিশ:			
নগদ লভ্যাংশ প্রতি শেয়ারে			
১০.০০ টাকা (অর্থাৎ ১০০%)	৯৯.৪০	৯৯.৪০	-
রিটেইনড আয়ে স্থানান্তর	২৬০.৭৬	৩০৮.১০	(১৫.৩৭)

আর্থিক পর্যালোচনা

পরিচালন মুনাফা

কোম্পানির পরিচালনা পর্যদ এবং শ্রমিক-কর্মচারী ও কর্মকর্তাদের ধারাবাহিক প্রয়াসের মাধ্যমে কোম্পানি এ বছর ৪৮৯.৫২ লক্ষ টাকা পরিচালন মুনাফা অর্জন করেছে। গত বছর কোম্পানির পরিচালন মুনাফা ছিল ৫৫৯.৪৩ লক্ষ টাকা। আলোচ্য বছরে মোট পরিচালন মুনাফা গত বছরের তুলনায় হ্রাস পেয়েছে ১২.৫০%। পরিচালন মুনাফার প্রধান অংশ এসেছে বেইস অয়েল বিক্রয় হতে। আলোচ্য বছরে কোম্পানি বেইস অয়েল ব্যবসায় ৬৩৪.৭৭ লক্ষ টাকার পরিচালন মুনাফা অর্জন করে, যা গত বছর

(c) Battery Marketing

During the year under review, total sale of Battery in quantity was 1,029 nos amounting to Taka 109.96 lac which was 2,575 Nos amounting to Taka 175.98 lac in the last year. But we could not increase our sale of battery due to stiff competition in the battery market as import price of our quality products is higher than that of locally produced battery price in private sector. As a result during the reported year the sale of battery was decreased by 66.02 lac i.e. 37.52% compared to the last year.

Financial Results

The Board of Directors take pleasure in reporting the following financial results of the Company for the year ended 30 June 2018:

Taka in lac

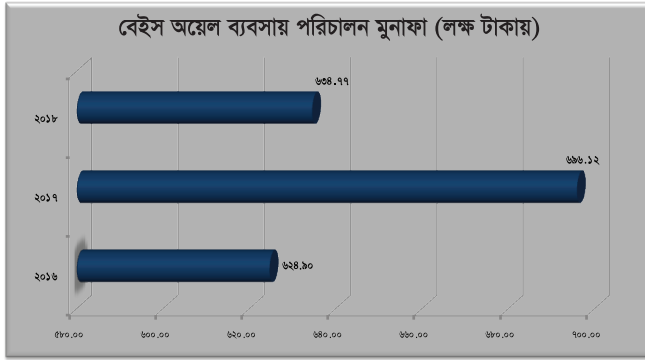
Particulars	2017-18	2016-17	(%) Change
Operating Profit/(Loss)	489.52	559.43	(12.50)
Trading Profit/(Loss)	468.47	542.57	(13.66)
Non Operating Income	37.64	24.32	54.77
Profit before Tax	480.19	542.14	(11.43)
Provision for Tax	(120.03)	(134.64)	(10.85)
Profit after Tax	360.16	407.50	(11.62)
Total Comprehensive Income	360.16	407.50	(11.62)
Less: Board's recommendation for Appropriations:			
Cash Dividend of Taka 10.00 (100%) for each share	99.40	99.40	-
Transfer to Retained earnings	260.76	308.10	(15.37)

Financial Review

Operating Profit

During the year under review, the Company was able to make an operating profit of Taka 489.52 lac through continued effort of efficient Board of Director and dedicated employees. The operating profit was Taka 559.43 lac in the last year. The operating profit decreased by 12.50% compared to the previous year. The principal portion of operating profit came from base oil business. The Company earned an operating profit of Taka 634.77 lac in base oil business as against Taka 696.12 lac in the

ছিল ৬৯৬.১২ লক্ষ টাকা। এ খাতে আলোচ্য বছরে গত বছরের তুলনায় হ্রাসের হার ৮.৮১%। ব্যাটারি বিপণন ব্যবসায় কোম্পানির পরিচালন মুনাফা ছিল ১১.৩১ লক্ষ টাকা যা বিগত অর্থ বছরে ছিল ১৭.৩৯ লক্ষ টাকা। ব্যাটারি ব্যবসায় বিগত অর্থ বছরের তুলনায় আলোচ্য অর্থ বছরে পরিচালন মুনাফা হ্রাসের হার ৩৪.৯৬%। অন্যদিকে লুব্রিকেন্টস্ ব্লেন্ডিংয়ে কোম্পানি আলোচ্য অর্থবছরে ১৫৩.৮৬ লক্ষ টাকার পরিচালন ক্ষতির সম্মুখীন হয়, গত বছরে উক্ত ক্ষতির পরিমাণ ছিল ১৫১.২৭ লক্ষ টাকা।



ব্যবসায়িক মুনাফা

কোম্পানি আলোচ্য বছরে ৪৬৮.৪৭ লক্ষ টাকার ব্যবসায়িক মুনাফা অর্জন করেছে। গত বছর কোম্পানির ব্যবসায়িক মুনাফা ছিল ৫৪২.৫৭ লক্ষ টাকা। আলোচ্য বছরে ব্যবসায়িক মুনাফা গত বছরের তুলনায় হ্রাস পায় ১৩.৬৬%।

অপরিচালন আয়

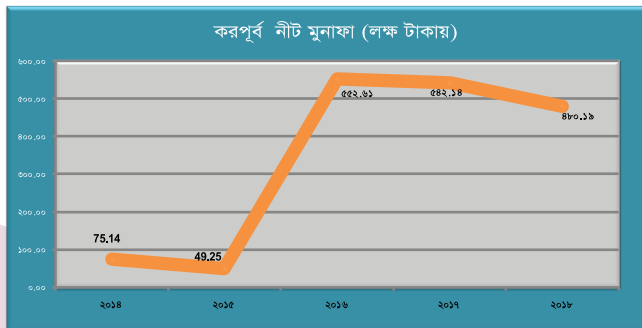
অপরিচালন আয় গত বছরের ২৪.৩২ লক্ষ টাকা হতে ৫৪.৭৭ শতাংশ বৃদ্ধি পেয়ে দাঁড়িয়েছে ৩৭.৬৪ লক্ষ টাকা। কোম্পানির অপরিচালন আয় মূলত ব্যাংকে রক্ষিত মেয়াদী আমানত হতে আসে।

প্রশাসনিক ও সাধারণ খরচ

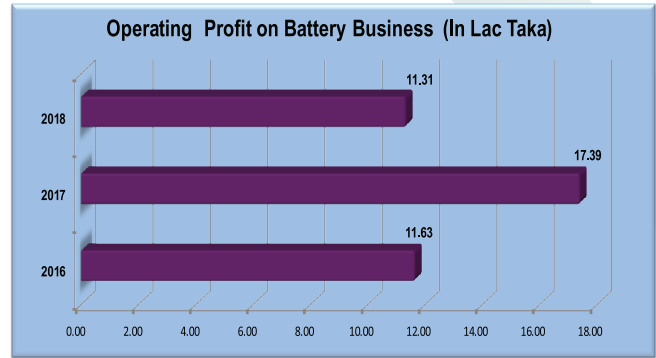
আলোচ্য অর্থবছরে কর্মকর্তা-কর্মচারীদের বার্ষিক বেতন ও অন্যান্য খরচ বৃদ্ধি পাওয়ার ফলে প্রশাসনিক ও সাধারণ খরচ বিগত বছরের চেয়ে ২৪.৮৫ শতাংশ বৃদ্ধি পেয়েছে। আলোচ্য বছরে প্রশাসনিক ও সাধারণ খরচ হয়েছে ২১.০৫ লক্ষ টাকা যা গত বছর ছিল ১৬.৮৬ লক্ষ টাকা।

করপূর্ব মুনাফা

গত অর্থবছরের তুলনায় আলোচ্য অর্থবছরে করপূর্ব মুনাফা হ্রাস পেয়েছে ১১.৪৩ শতাংশ। আলোচ্য বছরে করপূর্ব মুনাফা দাঁড়ায় ৪৮০.১৯ লক্ষ টাকা, যা গত বছর ছিল ৫৪২.১৪ লক্ষ টাকা।



last year. The operating profit on base oil business decreased by 8.81% compared to the previous year. The operating profit on battery marketing business was Taka 11.31 lac, as against Taka 17.39 lac of the last year. The operating profit on battery business decreased by 34.96% compared to the previous year. On the other hand, the Company had to face an operating loss of Taka 153.86 lac on lubricating blending business, which was Taka 151.27 lac in the last year.



Trading profit

The Company earned a trading profit of Taka 468.47 lac in the year under review as against Taka 542.57 lac in the previous year. The trading profit of the Company decreased by 13.66% compared to the previous year.

Non Operating Income

Non Operating Income increased by 54.77 percent to Taka 37.64 lac from Taka 24.32 lac in the last year. The Company's non operating income basically comes from FDR at Bank.

Administrative & General Expenses

Due to yearly increase of employees' salary and other expenses, Administrative & General Expenses increased by 24.85 percent in the reported year compared to the last year. During the year under review, Administrative & General expenses was taka 21.05 lac, which was taka 16.86 lac in the previous fiscal year.

Net Profit before Tax

Net profit before tax decreased by 11.43% in the reported year. During the year under review, Net profit before Tax stood at Taka 480.19 lac as against Taka 542.14 lac in the last year.

Net Profit after Tax

Net profit after Tax stood at Taka 360.16 lac in FY 2017-18 as against Taka 407.50 lac in FY 2016-17. Decreasing rate was 11.62 percent.

Return on Equity

Return on Average Equity of this year stood at 21.40% as against 28.65% in the previous year.

করোত্তর নীট মুনাফা

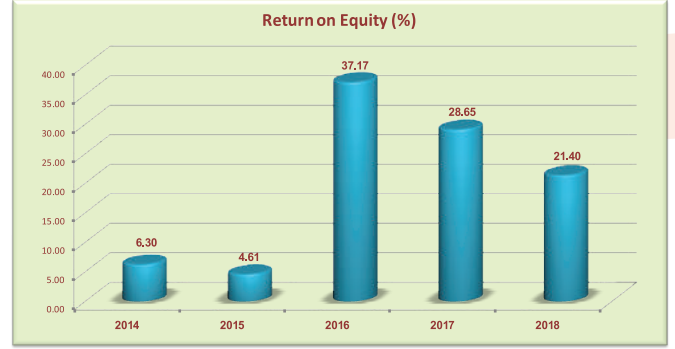
আলোচ্য বছরে করোত্তর নীট মুনাফা হয়েছে ৩৬০.১৬ লক্ষ টাকা যা গত বছর ছিল ৪০৭.৫০ লক্ষ টাকা। হ্রাসের হার ১১.৬২ শতাংশ।

রিটার্ন অন ইকুয়িটি

এ বছরের অ্যাভারেজ রিটার্ন অন ইকুয়িটি দাঁড়িয়েছে ২১.৪০% যা গত বছর ছিল ২৮.৬৫%।

শেয়ার প্রতি আয় (ইপিএস)

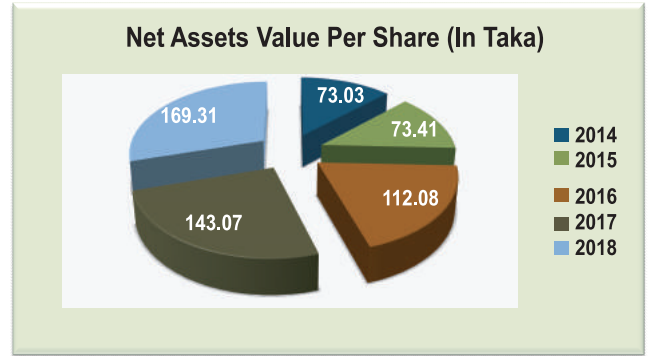
৩০ জুন, ২০১৮ তারিখের সমাপ্ত বছরের শেয়ার প্রতি আয় ছিল ৩৬.২৩ টাকা, যা পূর্ববর্তী বছরে ছিল ৪১.০০ টাকা।



Earning per Share (EPS)

Earning per share stood at Taka 36.23 for the year ended 30 June, 2018 as against Taka 41.00 in the previous year.

Net Assets Value per Share



শেয়ার প্রতি নীট সম্পত্তি মূল্য

৩০ জুন, ২০১৮ তারিখের সমাপ্ত বছরের শেয়ার প্রতি নীট সম্পত্তি মূল্য দাঁড়িয়েছে ১৬৯.৩১ টাকা, যা গত বছরে ছিল ১৪৩.০৭ টাকা।

লভ্যাংশ

কোম্পানির পরিচালনা পর্ষদের নিকট শেয়ারহোল্ডারদের প্রাপ্যতা সবসময় প্রধান অগ্রাধিকার হিসেবে বিবেচিত হয়। আমরা আনন্দের সাথে আপনাদের জানাচ্ছি যে, গত অর্থবছরের ন্যায্য আলোচ্য অর্থবছরেও পরিচালনা পর্ষদ কর্তৃক ১০০% নগদ অর্থাৎ প্রতি ১০.০০ টাকা শেয়ারে ১০.০০ টাকা হারে লভ্যাংশ প্রদানের সুপারিশ প্রদান করা হয়। যদি পরিচালনা পর্ষদের সুপারিশকৃত লভ্যাংশ বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদিত হয় তবে এতে নগদ ৯৯.৪০ লক্ষ টাকা লভ্যাংশ হিসেবে শেয়ারহোল্ডারদের মধ্যে বন্টন হবে।

শেয়ারহোল্ডারগণের তহবিল

কোম্পানির পরিচালনা পর্ষদ কোম্পানির প্রবৃদ্ধি অর্জনের পাশাপাশি শেয়ারহোল্ডারদের স্বার্থ তুলে ধরতে এবং তা সমন্বিত রাখার জন্য ক্রমাগতভাবে চেষ্টা করে যাচ্ছে। শেয়ারহোল্ডারদের তহবিল গত বছরের ১,৪২২.১৪ লক্ষ টাকা হতে বৃদ্ধি পেয়ে ২০১৭-১৮ অর্থবছরে দাঁড়িয়েছে ১,৬৮২.৯০ লক্ষ টাকা।

শেয়ারহোল্ডারদের মর্যাদা এবং বাজার দরের তথ্য

ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেড শেয়ারহোল্ডারদের সর্বোচ্চ মূল্য প্রদানে প্রতিশ্রুতিবদ্ধ। শেয়ারহোল্ডারদের যৌক্তিক হারে মুনাফা প্রদানের মাধ্যমে কোম্পানি শেয়ার বিনিয়োগে উৎসাহিত করে। আলোচ্য অর্থবছরে ইএলবিএল এর শেয়ারের বাজার দর ছিল উর্ধ্বমুখী। ২০১৭-১৮ অর্থবছরের শেয়ার ট্রেডিংয়ের শেষ দিনে অর্থাৎ ৩০ জুন, ২০১৮ তারিখে টাকা স্টক এক্সচেঞ্জ লি. -এ প্রচারিত ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেডের বাজার দর ছিল ১,৫৬৬.২০ টাকা। ৩০ জুন, ২০১৮ তারিখের কোম্পানির বাজার মূলধনের পরিমাণ ১৫,৫৬৮.০৩ লক্ষ টাকা।

Net Assets Value per Share stood at taka 169.31 in FY 2017-18 against taka 143.07 of the previous fiscal year.

Dividend

Shareholders' return is always key priority to the Board of Directors of the Company. We are pleased to inform you that the Board of Directors has recommended 100% cash dividend i.e. Taka 10.00 for each share of Taka 10.00 for the shareholders for the year ended 30 June 2018 same as previous year. The recommended dividend if approved by the shareholders at the Annual General Meeting Taka 99.40 lac will be distributed among the shareholders as dividend.

Shareholders' Equity

The Board of Directors is continuously making effort to uphold and protect the interest of the shareholders as well as to ensure stable growth of the Company. Shareholders' equity stood at Taka 1,682.90 lac in FY 2017-18 from Taka 1,422.14 lac in the previous fiscal year.

Shareholders' Value and Market Price Information

Eastern Lubricants Blenders Limited remains fully committed to delivery of higher shareholders' value. The shareholders feel proud of themselves by investing in the share of the company on the reasonable dividends. During the year under review, reported market price of shares of ELBL in Dhaka Stock Exchange Ltd was Taka 1,566.20 on close of the last

সিইও ও সিএফও এর ঘোষণা

কর্পোরেট গভর্নেন্স কোড এর শর্ত নং ৩(৩) অনুসারে কোম্পানির প্রধান নির্বাহী কর্মকর্তা (সিইও) ও প্রধান হিসাব কর্মকর্তা (সিএফও) এর ঘোষণা সংযুক্তি-‘এ’ তে সংযুক্ত করা হলো।

কর্পোরেট গভর্নেন্স

কর্পোরেট গভর্নেন্স এর মূলনীতি হলো স্বচ্ছতা, গ্রহণযোগ্যতা ও ন্যায় নীতির সাথে দায়িত্ব পালন। ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেডের নিকট কর্পোরেট গভর্নেন্স হচ্ছে দক্ষতা, স্বচ্ছতা, ও পেশাদারিত্বের মাধ্যমে শেয়ারহোল্ডারদের উচ্চ হারে মূল্য প্রদান, সমাজ ও রাষ্ট্রের প্রতি দায়বদ্ধতা এবং পরিবেশের প্রতি সংবেদনশীলতা। কর্পোরেট ম্যানেজমেন্টের দায়িত্ব হচ্ছে উত্তম গভর্নেন্সের সাথে দায়িত্ব পালন করে শেয়ারহোল্ডার ভ্যালু বৃদ্ধি করা।

স্টক এক্সচেঞ্জের তালিকাভুক্ত কোম্পানিগুলোর জন্য বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্পোরেট গভর্নেন্সের বিষয়ে কর্পোরেট গভর্নেন্স কোড (বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ তাং ৩ জুন, ২০১৮) জারি করেছে। কোম্পানি বিএসইসির কর্পোরেট গভর্নেন্সের শর্তাবলী ও ঢাকা স্টক এক্সচেঞ্জ লিমিটেডের লিস্টিং রেগুলেশন্স এবং অন্যান্য নিয়ন্ত্রক সংস্থাসমূহের আইন ও বিধিসমূহ পরিপূর্ণভাবে প্রতিপালন করে। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত কর্পোরেট গভর্নেন্স কোড ২০১৮ প্রতিপালনের বিষয়ে প্রফেশনাল অ্যাকাউন্ট্যান্ট কর্তৃক প্রদত্ত সনদ এবং প্রতিপালনের বিবরণ এ রিপোর্টের সংযুক্তি ‘বি’ ও ‘সি’ তে উপস্থাপন করা হলো।

ম্যানেজমেন্ট ডিসকাশন অ্যান্ড অ্যানালাইসিস

কোম্পানির পরিচালন এবং অবস্থান নিয়ে ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট ডিসকাশন অ্যান্ড অ্যানালাইসিস এ প্রতিবেদনের সংযুক্তি-‘ডি’তে উপস্থাপন করা হলো।



পর্ষদ সভা

পরিচালনা পর্ষদ

বর্তমানে কোম্পানির পরিচালনা পর্ষদ ৮ (আট) জন পরিচালকের সমন্বয়ে গঠিত হয়েছে। ৮ (আট) জন পরিচালকের মধ্যে দুইজন ইন্ডিপেন্ডেন্ট পরিচালক, একজন

trading day i.e. 30 June, 2018 and Market capitalization stood at Taka 15,568.03 lac as at 30 June, 2018.

Declaration by the CEO & the CFO

Declaration by the CEO and the CFO to the Board as required under condition No.3(3) of Corporate Governance Code has been attached in Annexure-A.

Corporate Governance

Fairness, transparency, accountability and responsibility are the minimum standards of acceptable Corporate Governance. To Eastern Lubricants Blenders Limited Corporate Governance means increasing the Shareholders' value by being efficient, transparent and professional; accountable to the Government and the society and responsive to the environmental issues. Maximizing value for shareholders through performance with good governance is the responsibility of corporate management. Bangladesh Securities & Exchange Commission has issued a Corporate Governance Code (Notification No. BSEC/CMRCD/2006-158/207/admin /80 dated 03 June 2018) for the companies listed with Stock Exchanges. The Company has adequately complied with all the conditions of the Corporate Governance code of BSEC and listing regulations of DSE, rules & regulations of other regulatory bodies. The Certificate provided by the professional accountant and status of compliance with the conditions of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission is attached at Annexure 'B' and 'C' respectively of this Directors' Report.

Management Discussion and Analysis

A Management Discussion and Analysis signed by Managing Director regarding the Company's operation and position has been attached in Annexure-D.

Board of Director

At present, the Board is made up by eight directors. Out of eight directors two directors are Independent Director, another one is the Shareholder Director elected from the shareholders except BPC and rest of five directors are nominated by BPC. Board's members include persons of high caliber, with academic and professional qualification in the field of business and administration. This has given strength for effective discharge of duties and responsibilities of the Board. The board discharges its responsibilities itself and through various committees. The management operates within the

বিপিসি বাদে বাকি শেয়ারহোল্ডারদের মধ্য থেকে নির্বাচিত শেয়ারহোল্ডার পরিচালক এবং বাকি ৫ (পাঁচ) জন বিপিসি কর্তৃক মনোনীত পরিচালক। পরিচালনা পর্ষদ ব্যবসা ও প্রশাসনিক ক্ষেত্রে পেশাগত দক্ষতা ও শিক্ষাগত যোগ্যতাসম্পন্ন ব্যক্তিদের সমন্বয়ে গঠিত। এ সমস্ত গুণাবলী পর্ষদের দায়িত্ব ও কর্তব্য পালনে কার্যকর ভিত্তি প্রদান করেছে। পরিচালনা পর্ষদ নিজে এবং বিভিন্ন কমিটির মাধ্যমে তাঁদের দায়িত্ব পালন করে থাকে। পর্ষদ অনুমোদিত নীতিমালা, ম্যানুয়েল ও সীমার মধ্যে ব্যবস্থাপনা কর্তৃপক্ষের কার্যাদি পরিচালিত হয়। পর্ষদ সভা নিয়মিতভাবে অনুষ্ঠিত হয়ে থাকে।

পর্ষদ সভা ও পরিচালকমণ্ডলীর সম্মানি

পরিচালনা পর্ষদ তাঁদের দায়িত্ব পালনের জন্য নিয়মিতভাবে সভা করে। ২০১৭-১৮ অর্থবছরের পর্ষদ সভার সংখ্যা, পরিচালকমণ্ডলীর সভায় উপস্থিতির সংখ্যা এবং তাঁদের সম্মানি প্রতিবেদনের সংযুক্ত ১-এ প্রদর্শিত হলো।

শেয়ারহোল্ডিং প্যাটার্ন

কোম্পানির শেয়ারহোল্ডিং প্যাটার্ন সংযুক্তি-২ এ প্রদর্শিত হলো।

পরিচালন ও আর্থিক বিষয়ের ৫(পাঁচ) বছরের তথ্য

বিগত ৫(পাঁচ) বছরের কোম্পানির পরিচালন ও আর্থিক বিষয়ের তথ্যসমূহ সংযুক্তি ৩ এ প্রদর্শিত হলো।

পর্ষদ চেয়ারম্যান

কোম্পানির পরিচালনা পর্ষদের চেয়ারম্যান ও নির্বাহী পরিচালক তথা প্রধান নির্বাহী কর্মকর্তা পদে ভিন্ন ভিন্ন ব্যক্তি দায়িত্বে নিয়োজিত আছেন।

অডিট কমিটি

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুসারে পর্ষদের একটি অডিট কমিটি আছে। পর্ষদ কর্তৃক মনোনয়নের মাধ্যমে তিনজন পর্ষদ সদস্যের সমন্বয়ে ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেড এর অডিট কমিটি গঠিত এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্নেন্স কোডের আলোকে পর্ষদ অনুমোদিত নীতিমালা অনুসরণে অডিট কমিটি কার্য পরিচালনা করে থাকে।

২০১৭-১৮ অর্থবছরে কমিটি নিম্নবর্ণিত কাজ পরিচালনা করেছে :

- বহিঃনিরীক্ষক কর্তৃক দাখিলকৃত ২০১৭-১৮ অর্থবছরের চূড়ান্ত আর্থিক বিবরণী পর্যালোচনা;
- ২০১৭-১৮ অর্থবছরের চূড়ান্ত আর্থিক বিবরণীর উপর বহিঃনিরীক্ষকদের সাথে আলোচনা ও পর্ষদের নিকট সুপারিশ প্রণয়ন;

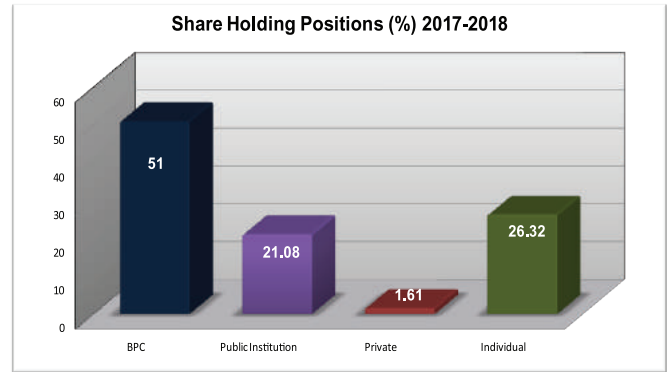
policies, manuals and limits approved by the Board. Regular Meeting of the Board is being held.

Board Meeting & Remuneration of the Directors

The Board meets regular basis to discharge its responsibilities. Number of Board Meeting held in 2017-18 and the attendance & remuneration of each director shown in Annexure-1.

Pattern of Shareholding

Pattern of shareholding has been shown in Annexure-2.



Key Operating & Financial Data

Key operating and financial data of preceding 5(five) years of the company is attached in Annexure-3.

Chairman of the Board

The Chairman of the Board is fully independent from the office of the Executive Director (CEO).

Audit Committee

As per directive of Bangladesh Securities & Exchange Commission, the Board has one Audit Committee. Audit Committee of Eastern Lubricants Blenders Limited comprises of three members of the Board nominated by the Board of Directors and operates according to the charter of the Committee approved by the Board on the basis of Bangladesh Securities & Exchange Commission's Corporate Governance Code.

During 2017-18 the committee carried out the following tasks;

- Reviewed Annual financial Statements of 2017-18 submitted by the external auditors;
- Discussion with the external auditors regarding Annual financial statements of 2017-18 and put their recommendations to the Board;

- ২০১৭-১৮ অর্থবছরের ত্রৈমাসিক হিসাবসমূহ ও অর্ধ বার্ষিক হিসাব পর্যালোচনা ও সুপারিশ প্রণয়ন;
- তাছাড়া ২০১৭-১৮ অর্থবছরের সংশোধিত বাজেটসহ ২০১৮-১৯ অর্থবছরের বাজেট পর্যালোচনা ও সুপারিশ প্রণয়ন।

নমিনেশন অ্যান্ড রিমিউন্যারেশন কমিটি (এনআরসি)

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত কর্পোরেট গভর্নেন্স কোড'২০১৮ অনুসারে পর্ষদের একটি এনআরসি গঠিত হয়েছে। পর্ষদ কর্তৃক মনোনয়নের মাধ্যমে তিনজন পর্ষদ সদস্যের সমন্বয়ে ইস্টার্ন লুব্রিকেন্টস্ ব্লেন্ডার্স লিমিটেডের এনআরসি গঠিত এবং বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত কর্পোরেট গভর্নেন্স কোড'২০১৮ এর আলোকে পর্ষদ অনুমোদিত নীতিমালা অনুসরণে এনআরসি কমিটির কার্য পরিচালিত হবে। পরিচালনা পর্ষদের নিম্নোক্ত সদস্যদের সমন্বয়ের এনআরসি গঠিত হয়েছে:

- ১) অ্যাডভোকেট মুন্সী গোলাম মোস্তফা- চেয়ারম্যান
- ২) কাজী মোহাম্মদ হাসান- সদস্য
- ৩) মোঃ কামরুল হাসান- সদস্য

পরিচালকমণ্ডলীর আবর্তন

কোম্পানি আইন' ১৯৯৪ এবং কোম্পানির পরিচালন বিধি অনুযায়ী প্রতি বার্ষিক সাধারণ সভায় পরিচালকমণ্ডলীর এক তৃতীয়াংশ পালক্রমে অবসরগ্রহণ করেন এবং অবসরগ্রহণকারী পরিচালকগণ পুনঃমনোনয়নযোগ্য। এ বার্ষিক সাধারণ সভায় কোম্পানির পরিচালক জনাব মোঃ সরওয়ার আলম এবং শেয়ারহোল্ডার পরিচালক জনাব মোহাম্মদ আব্দুল আউয়াল অবসরগ্রহণ করবেন। তন্মধ্যে জনাব মোঃ সরওয়ার আলমকে বিপিসি কর্তৃক এ বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য পুনঃমনোনয়ন প্রদান করা হয়েছে। অন্যদিকে শেয়ারহোল্ডার পরিচালক জনাব মোহাম্মদ আব্দুল আউয়াল এ বার্ষিক সাধারণ সভায় অবসরগ্রহণ করবেন বিধায় শেয়ারহোল্ডার পরিচালক নির্বাচন অনুষ্ঠিত হবে।

স্বতন্ত্র পরিচালক

কোম্পানির স্বতন্ত্র পরিচালক জনাব শাহজাহান মজুমদার, এফসিএ ৩ বছর মেয়াদের পরপর দুই মেয়াদ পূর্ণ করার ফলে আরেক মেয়াদের জন্য পুনঃমনোনয়নযোগ্য ছিল না বিধায় পরিচালনা পর্ষদ থেকে অবসরগ্রহণ করেছেন। তাই বিএসইসির কর্পোরেট গভর্নেন্স কোড'২০১৮ এর ইন্ডিপেন্ডেন্ট পরিচালক নিয়োগের সংশ্লিষ্ট শর্ত অনুসারে কোম্পানির পরিচালনা পর্ষদ কর্তৃক অ্যাডভোকেট মুন্সী গোলাম মোস্তফা ও মোঃ কামরুল হাসানকে কোম্পানির স্বতন্ত্র পরিচালক হিসেবে নিয়োগ প্রদান করা হয়েছে, যা আসন্ন বার্ষিক সাধারণ সভায় শেয়ারহোল্ডার কর্তৃক অনুমোদনের প্রয়োজনীয়তা রয়েছে।

- Reviewed the Quarterly & Half yearly financial statements of 2017-18 and put their recommendations to the Board;
- Besides, the committee reviewed revised budget of the company during 2017-18 along with the budget of 2018-19 and put their recommendations to the Board.

Nomination and Remuneration Committee (NRC)

As per Bangladesh Securities & Exchange Commission's Corporate Governance Code, the Board has formed the NRC. The NRC of Eastern Lubricants Blenders Limited comprises of three members of the Board nominated by the Board of Directors and will operate according to the charter of the Committee approved by the Board on the basis of Bangladesh Securities & Exchange Commission's Corporate Governance Code. The composition of the NRC is as under:

- 1) Advocate Munshi Golam Mostofa- Chairman
- 2) Quazi Mohammed Hasan- Member
- 3) Md. Quamrul Hasan- Member

Rotation of Director

As per Companies act -1994 and Articles of Association of the company one third of the Directors retire by rotation from the office of Directors and retired Directors are eligible for re-appointment. Mr. Md. Sarwar Alam, Director and Mr. Mohammed Abdul Awwal, Shareholder Director will retire at this AGM. Among them Mr. Md. Sarwar Alam has already been re-appointed by Bangladesh Petroleum Corporation subject to approval of shareholders at AGM. On the other hand, a shareholder director election will be held to elect a shareholder director at AGM.

Independent Director

Independent Director Mr. Shahjahan Majumder, FCA retired from the Board of Directors as he served two terms of 3 years consecutively. As such, the Board of Directors have appointed two independent directors named Advocate Munshi Golam Mostofa and Md. Quamrul Hasan according to the related conditions regarding appointment of Independent Director of Corporate Governance Code' 2018 which will require approval of the shareholders in AGM.

নিরীক্ষক নিয়োগ

কোম্পানির ৪৯তম বার্ষিক সাধারণ সভায় কোম্পানির বহিঃনিরীক্ষক হিসেবে মেসার্স আহমদ অ্যাড আখতার, চার্টার্ড অ্যাকাউন্ট্যান্টস এবং মেসার্স হোসেন ফরহাদ অ্যাড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টসকে ২০১৭-১৮ অর্থবছরের জন্য নিয়োগ প্রদান করা হয়। কোম্পানি আইন' ১৯৯৪ অনুসারে তারা এ বার্ষিক সাধারণ সভায় অবসরগ্রহণ করবে। উভয় প্রতিষ্ঠান ২০১৮-১৯ অর্থবছরের জন্য কোম্পানির বহিঃনিরীক্ষক হিসেবে পুনঃমনোনয়ন যোগ্য এবং ইতোমধ্যে তারা নিয়োগপ্রাপ্ত হওয়ার জন্য তাদের ইচ্ছা প্রকাশ করেছে।

কর্পোরেট গভর্নেন্স প্রতিপালনের বিষয়ে প্রফেশনাল অ্যাকাউন্ট্যান্ট নিয়োগ

'বিএসইসি'র নির্দেশনা অনুযায়ী ৩০ জুন ২০১৯ তারিখে সমাপ্য বছরের জন্য বিএসইসি কর্তৃক জারিকৃত কর্পোরেট গভর্নেন্স কোড প্রতিপালনের বিষয়ে সনদ প্রদানের নিমিত্ত পরিচালনা পর্ষদ কর্তৃক পেশাদার অ্যাকাউন্ট্যান্ট হিসেবে হোদা ভাসি চৌধুরী অ্যাড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস-কে আসন্ন বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে নিয়োগের জন্য সুপারিশ করা হয়।

প্রকাশনা এবং শেয়ারহোল্ডারদের সাথে যোগাযোগ

কোম্পানি সংবিধিবদ্ধ প্রতিবেদন অর্থাৎ ত্রৈমাসিক, ষান্মাসিক এবং বার্ষিক হিসাব বিবরণীসমূহ বিভিন্ন নিয়ন্ত্রক সংস্থা ও সম্মানিত শেয়ারহোল্ডারদের জন্য সময়মতো প্রকাশনা ও তা পেশ করার উপর সর্বোচ্চ অগ্রাধিকার প্রদান করে থাকে, যাতে কোম্পানির সার্বিক কার্যক্রমের স্বচ্ছ ধারণা পাওয়া যায়। পর্ষদ বাংলাদেশ সিকিউরিটি অ্যান্ড একচেঞ্জ কমিশনের বিধিসমূহ সবসময় নিশ্চিত করে। কোম্পানির শেয়ার মূল্যের উপর প্রভাব বিস্তার করতে পারে এমন সকল মূল্য সংবেদনশীল তথ্য এবং সকল আর্থিক বিবরণীসমূহ জাতীয় দৈনিক পত্রিকাসমূহ, অনলাইন পোর্টাল ও কোম্পানির ওয়েবসাইটে প্রকাশনার মাধ্যমে তা শেয়ারহোল্ডারদের নিকট পৌঁছে দেয়া হয়। বার্ষিক সাধারণ সভাও শেয়ারহোল্ডারগণের সাথে যোগাযোগের একটা ভালো সুযোগ সৃষ্টি করে।

২০১৮-১৯ অর্থবছরের প্রধান লক্ষ্যসমূহ

পরিচালনা পর্ষদ ২০১৮-১৯ অর্থবছরের জন্য কিছু লক্ষ্যমাত্রা নির্ধারণ করেছে। তা হচ্ছে :

- ১। কোম্পানির মার্কেট শেয়ার বৃদ্ধির জন্য আপগ্রেড লুব্রিকেন্টস্ পণ্যের ব্লেন্ডিংয়ের উপযোগীকরণের লক্ষ্যে কোম্পানির বহু বছরের পুরানো বর্তমান ব্লেন্ডিং প্ল্যান্টটির আধুনিকীকরণের প্রয়োজনীয় ব্যবস্থা গ্রহণ এবং ব্লেন্ডিংয়ের পরিমাণ বৃদ্ধিকরণ;

Appointment of Auditors

In the 49th Annual General Meeting, M/s. Ahmad & Akhtar, Chartered Accountants and M/s. Hussain Farhad & Co., Chartered Accountants were appointed as external auditors of the company for the year 2017-18. According to the Companies Act, 1994 they will be retired at this AGM. Both of them are eligible for re-appointment for the year 2018-19 according to the Companies Act' 1994 and they have already expressed their willingness for re-appointment as statutory auditor for the year 2018-19.

Professional Accountant for Compliance of Corporate Governance

Pursuant to the BSEC's directive, the Board has recommended Hoda Vasi Chowdhury & Co., Chartered Accountants to appoint a professional Accountant to issue certificate on compliance of Corporate Governance Code issued by BSEC for the year ending on 30 June 2019 subject to approval of the shareholders in the ensuing Annual General Meeting.

Publication and Communication with the Shareholders

The Company attaches high priority on timely publication and submission of the statutory reports i.e. Quarterly, Half-yearly and Annual Financial Statements in details enabling the regulatory bodies and existing & potential shareholders to make a fair assessment on company's over all performance. The Board continues to ensure the compliance of Bangladesh Securities & Exchange Commission's rules & regulations. All the price sensitive information having any possible impact on share prices of the Company and all financial statements are communicated to the shareholders by publications in the national dailies, online portals and Company's website. The Annual General Meeting also creates an opportunity for communication with shareholders.

Key Targets in FY 2018-19

The Board of Directors takes it a pleasure to inform valued shareholders regarding key targets for FY 2018-19. These are namely:

1. To take necessary step for modernization of the Company's existing old blending plant to capacitate blending of upgrade lubricants and increase the blending quantity;

- ২। লুব বেইস অয়েল বিক্রয় বৃদ্ধির চেষ্টা অব্যাহত রাখা;
 ৩। ব্যাটারি ব্যবসায় টার্নওভার বৃদ্ধিকরণ; ও
 ৪। কোম্পানির ব্যবসা বহুমুখীকরণের মাধ্যমে কোম্পানির মুনাফা বৃদ্ধির চেষ্টা অব্যাহত রাখা।

ধন্যবাদ ও কৃতজ্ঞতা

আমরা প্রথমেই কোম্পানির সম্মানিত শেয়ারহোল্ডারবৃন্দের নিকট কোম্পানির ব্যবস্থাপনার প্রতি অব্যাহত সমর্থন ও অবিচল আস্থা রাখার জন্য ধন্যবাদ ও কৃতজ্ঞতা প্রকাশ করছি। কোম্পানির পরিচালনা পর্ষদ এবং আমার পক্ষ হতে বাংলাদেশ পেট্রোলিয়াম কর্পোরেশন, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ এবং সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিঃ-কে তাদের অব্যাহত দিক নির্দেশনা ও সহায়তা প্রদানের জন্য, গ্রাহকবৃন্দকে আমাদের পণ্য ও সেবার উপর আস্থা রাখার জন্য, আমাদের ম্যানেজিং এজেন্ট পদ্মা অয়েল কোম্পানী লিঃ-কে তাদের অব্যাহত সেবা প্রদানের জন্য এবং অন্যান্য তেল বিপণন কোম্পানি ও ইস্টার্ন রিফাইনারি লিঃ-কে তাদের অব্যাহত সমর্থন ও সহযোগিতার জন্য ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি।

সকলের মিলিত প্রচেষ্টায় কোম্পানি আগামীতে আরো সাফল্যের ধারায় এগিয়ে যাবে সে আশাবাদ ব্যক্ত করছি।

আল্লাহ হাফেজ

পরিচালকমন্ডলীর পক্ষে



(মোঃ সামছুর রহমান)

চেয়ারম্যান

2. To keep up the process for increasing the sale of base oil;
 3. To increase the turnover of battery business: and
 4. To increase the Company's profit through diversification of company's business.

Gratitude

At first, we like to thank and express our gratitude to our valued shareholders of the company for demonstrating their continuous support and confidence in the management of the company. I, on behalf of myself and Board of Directors would also like to express deep gratitude and offer thanks to Bangladesh Petroleum Corporation, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited and Central Depository Bangladesh Ltd. for their guideline and support, valued customers for their confidence in our products and service, our managing agent Padma Oil Company Limited for relentless service and efforts they have given to ELBL, other oil marketing companies and Eastern Refinery limited for their support and co-operation.

Hope that our company will go ahead towards more success in future with the joint efforts of all together.

Allah Hafez

On behalf of the Board



(Md. Shamsur Rahman)

Chairman

EASTERN LUBRICANTS BLENDERS LTD.

i) Directors' Declaration :

The Directors also report that:

- a) The financial statements of the company present a true and fair view of the company's state of affairs, result of its operations, cash flows and changes in equity.
- b) Proper books of accounts as required by law have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement.
- d) The financial statements were prepared in accordance with International Accounting Standards (IAS) as applicable in Bangladesh.
- e) The Internal Control System is sound in design and effectively implemented and monitored.
- f) There are no significant doubts upon the company's ability to continue as a going concern.
- g) There is no significant deviation from the operating result of last year.

ii) The number of board meeting and the attendance and Remuneration of Directors during the year 2017-2018

Name of Directors	Designation	Meeting held While a Member	Attended in No. of Meeting	Remuneration (in Taka)
Mr. Abu Hena Md. Rahmatul Muneem	Chairman	05	05	28,000.00
Sayed Mohammed Mozammel Haque	Director	05	04	22,400.00
Mr. Mir Ali Reza	Director	05	05	28,000.00
Mr. Quazi Mohammed Hasan	Director	04	04	22,400.00
Mr. Shahjahan Mozumder, FCA	Director	05	04	22,400.00
Mr. Mohammed Abdul Awwal	Director	05	01	5,600.00
Mr. Md. Masudur Rahman	Director	05	05	28,000.00
Total				156,800.00

EASTERN LUBRICANTS BLENDERS LIMITED

Pattern of shareholding as on 30 June 2018:

Sl. No.	Shares held by	No. of Share holding	%	Remarks
(a)				
i)	Bangladesh Petroleum Corporation	506941	51.00	
ii)	Public Institutions:			
	Sadharan Bima Corporation	753		
	Jiban Bima Corporation	149520		
	Bangladesh Commerce Bank	12392		
	Bangladesh Commodities Ltd.	8260		
	Tea Bangladesh Ltd.	8260		
	Adamjee Sons Ltd.	19273		
	Bangladesh General Ltd.	11060		
		209518	21.08	
iii)	Private Institutions:			
	Swadesh Investment Management	6000		
	Be Rich Limited	610		
	Social Islami Bank	2500		
	Excellent Investment Ltd	50		
	FAS Capital Management Ltd.	800		
	M/s. Digital Capital Inv. Com	6000		
		15960	1.60	
iv)	Individual (Bangladeshi)	<u>261581</u>	<u>26.32</u>	
		<u>994000</u>	<u>100.00</u>	
(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer (CFO), Head of Internal Audit and their spouses and minor children:			
	Directors:			
	Md. Shamsur Rahman	-	-	Nominated by BPC.
	Md. Sarwar Alam	-	-	"
	Dr. Muhammad Moniruzzaman	-	-	"
	Quazi Mohammed Hasan	-	-	"
	Mohammed Abdul Awwal	1002	0.10	Shareholder Director
	Advocate Munshi Golam Mostafa			Independent Director
	Md. Quamrul Hasan			"
	Mohiuddin Ahmed	-	-	Nominated by BPC.
	Chief Executive Officer and his spouses & minor children:			
	Mohiuddin Ahmed	-	-	
(c)	Executive (Top five salaried persons other than CEO, CFO, CS, HIA).	-	-	
(d)	Shareholding ten percent(10%) or more voting interest in the company:			
i)	Bangladesh Petroleum Corporation		51.00	
ii)	Jiban Bima Corporation		15.04	



Annexure-A
[As per condition No. 1(5)(xxvi)]

EASTERN LUBRICANTS BLENDERS LIMITED**Declaration by CEO and CFO**

10 November 2018

To
The Board of Directors
Eastern Lubricants Blenders Limited
Strand Road, Chittagong

Subject: Declaration on Financial Statements for the year ended on 30.06.2018

Dear Sirs,


Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969. we do hereby declare that:


- 1) The Financial Statements of Eastern Lubricants Blenders Limited for the year ended on 30.06.2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- i) We have reviewed the financial statements for the year ended on 30.06.2018 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,


(Md. Masudur Rahman)
CEO & Managing Director


(Kanchan Chandra Shom, FCMA)
Chief Financial Officer

Hoda Vasi Chowdhury & CO.

Chartered Accountants

Certificate as per condition No.1(5) (xxvii)
Report to the Shareholders of Eastern Lubricants Blenders Limited
on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Eastern Lubricants Blenders Limited for the year ended on 30.06.2018. The Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any Condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission, subject to the remarks and observation as reported in the attached compliance status.
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

Place Chattogram

Dated 27 December 2018

For Hoda Vasi Chowdhury & Co
Chartered Accountants



Showkat Hossain, FCA
Senior Partner

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (Report Under Condition No. 9):

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1	2	3	4	5
1	Board of Directors:			
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1.2	Independent Directors: All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:			
1.2(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);		✓	There was 1 (One) Independent Director in the ELBL Board and another director was appointed on 20 December 2018
1.2(b)	For the purpose of this clause "independent director" means a director -			
1.2(b)i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2(b)ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		The Independent Director declared his compliances.
1.2(b)iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		Do
1.2(b)iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		Do
1.2(b)v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		Do
1.2(b)vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		Do
1.2(b)vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	✓		Do
1.2(b)viii)	who is not independent director in more than 5 (five) listed companies	✓		Do
1.2(b)ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	✓		Do
1.2(b)x)	who has not been convicted for a criminal offence involving moral turpitude	✓		Do
1.2 (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.2 (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		
1.3	Qualification of Independent Director (ID)			
1.3(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		The qualifications and background of ID justify his abilities as such.
1.3(b)	Independent director shall have following qualifications:			
1.3(b)i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;			Not Applicable
1.3(b)ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;			Not Applicable
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;			Not Applicable
1.3(b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			Not Applicable
1.3(b)v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1.3(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-			
1.4(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1.4(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1.4(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			Not Applicable

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.5	The Directors' Report to Shareholders: The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1.5(i)	An industry outlook and possible future developments in the industry;	✓		The Directors' report represent compliance of this guideline
1.5(ii)	The segment-wise or product-wise performance	✓		Do
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Do
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		Do
1.5(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		No such matter has arisen during the year.
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓		No such matter has arisen during the year.
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not Applicable
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1.5(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1.5(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1.5(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.	✓		
1.5(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1.5(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		100% Cash dividend declared

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A		No interim dividend declared
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1.5(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1.5(xxiii) a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1.5(xxiii) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1.5(xxiii)c)	Executives; and	✓		
1.5(xxiii) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); Explanation: For the purpose of this clause, the expression "executive means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	✓		
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders: ?			
1.5(xxiv) (a)	a brief resume of the director;	✓		
1.5(xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		
1.5(xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
1.5(xxv) a)	accounting policies and estimation for preparation of financial statements;	✓		
1.5(xxv) b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1.5(xxv) c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1.5(xxv) d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5(xxv) e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1.5(xxv) f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1.5(xxv) g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.6	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	Under Implementation Process as per BSEC Code
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		✓	Do
2	Governance of Board of Directors of Subsidiary Company.-			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	N/A		ELBL does not have any subsidiary company.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	N/A		Do
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	N/A		Do
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	N/A		Do
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		Do
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3.1	Appointment			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		In accordance with the managing agency agreement with POCL. As per board meeting no. 242 held on 20 Dec'18 requirements of engaging officials were complied with.
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		Do
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;		✓	Under Implementation Process as per BSEC Code
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		No such matter has arisen during the year.
3.2	Requirement to attend Board of Directors' Meetings			

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:		✓	Under Implementation Process as per BSEC Code
	Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.			
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3.3(a)i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3.3(a)ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		Complied with the decision of 242 Board meeting held on 20 December 2018.
5	AUDIT COMMITTEE:			
5.1	Responsibility to the Board of Directors.			
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		In Practice, TOR is available
5.1(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		In Practice. The duties are clearly written in the TOR of the Audit Committee
5.2	Constitution of the Audit Committee:			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee has been comprised of 3 (three) members
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		The board have appointed members in due time and no vacancy occurred.
5.2(e)	The company secretary shall act as the secretary of the Committee;	✓		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5.3	Chairman of the Audit Committee:			
5.3(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5.3(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM	✓		
5.4	Meeting of the Audit Committee			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year:			
	Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5.5	Role of Audit Committee			
	The Audit Committee shall:			
5.5(a)	Oversee the financial reporting process;	✓		
5.5(b)	monitor choice of accounting policies and principles;	✓		
5.5(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5.5(d)	oversee hiring and performance of external auditors;	✓		
5.5(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5(h)	review the adequacy of internal audit function;	✓		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
5.5(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5(j)	review statement of all related party transactions submitted by the management;	✓		
5.5(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5.5(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5.5(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not Applicable
5.6	Reporting of the Audit Committee:			
5.6(a)	Reporting to the Board of Directors:			
5.6(a)i)	The Audit Committee shall report on its activities to the Board.	✓		
5.6(a)ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5.6(a)(ii) a)	report on conflicts of interests;	✓		There was no reportable case of conflict of interest for the year ended 30th June, 2018
5.6(a)(ii)b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		No such matter has arisen during the year.
5.6(a)(ii)c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		DO
5.6(a)(ii)d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		DO
5.6(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not Applicable
5.7	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The Audit Committee Report is disclosed in the annual report and signed by the Chairman of the said committee.
6	Nomination and Remuneration Committee (NRC).-			
6.1	Responsibility to the Board of Directors			

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
6.1(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		NRC was formed on 20 December 2018 and all requirements shall be complied with subsequent to the formation of the NRC.
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		✓	DO
6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		✓	DO
6.2	Constitution of the NRC			
6.2(a)	The Committee shall comprise of at least three members including an independent director;	✓		NRC was formed on 20 December 2018 and all requirements shall be complied with subsequent to the formation of the NRC.
6.2(b)	All members of the Committee shall be non-executive directors;	✓		DO
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		DO
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		DO
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			N/A
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			N/A
6.2(g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			N/A
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		NRC was formed on 20 December 2018 and all requirements shall be complied with subsequent to the formation of the NRC.
6.3	Chairperson of the NRC			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		DO
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		DO
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		DO
6.4	Meeting of the NRC			
6.4(a)	The NRC shall conduct at least one meeting in a financial year		✓	DO

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
6,4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC		✓	DO
6,4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)		✓	DO
6,4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		✓	DO
6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	DO
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		✓	DO
6.5(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		✓	DO
6.5(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		✓	DO
6.5(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	DO
6.5(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		✓	DO
6.5(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		✓	DO
6.5(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		✓	DO
6.5(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		✓	DO
6.5(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		✓	DO
6.5(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		✓	DO
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	DO
7	EXTERNAL/STATUTORY AUDITORS: The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1(i)	appraisal or valuation services or fairness opinions;	✓		The Statutory Auditor have declared their compliances.
7.1(ii)	financial information systems design and implementation;	✓		DO
7.1(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		DO
7.1(iv)	broker-dealer services;	✓		DO
7.1(v)	actuarial services;	✓		DO
7.1(vi)	internal audit services or special audit services;	✓		DO
7.1(vii)	any service that the Audit Committee determines;	✓		DO
7.1(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		DO

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
7.1(ix)	any other service that creates conflict of interest.	✓		DO
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		DO
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		DO
8	Maintaining a website by the Company			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		Connected through Managing Agent (POCL)
8.2	The company shall keep the website functional from the date of listing.	✓		DO
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		DO
9	Reporting and Compliance of Corporate Governance. ?			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. Explanation: "Chartered Accountant" means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No. 2 of 1973); "Cost and Management Accountant" means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); "Chartered Secretary" means Chartered Secretary as defined in the Chartered Secretaries Act, 2010.	✓		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			Will be effective from next ensuring AGM
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

KEY OPERATING AND FINANCIAL DATA

 Annexure- 3
 Taka in '000

	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Blending Volume (M. Ton)	1,576	1,439	1,593	1,803	2,731
Blending Charges recovery	5,371	4,909	5,434	6,139	9,356
Profit before Tax	48,019	54,214	55,261	4,925	7,514
Taxation	12,003	13,464	13,816	1,166	1,402
Profit After Tax	36,016	40,750	41,445	3,759	6,112
Share Capital	9,940	9,940	9,940	9,940	9,940
Shareholders Fund	168,290	142,214	111,404	72,973	72,589
Net Assets Per Share	169.31	143.07	112.08	73.41	73.03
Income per Share	36.23	41.00	41.70	3.78	4.60
Dividend per Share	10.00	10.00	10.00	3.00	3.00

MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY'S POSITION AND OPERATION

The financial and operating performance of ELBL during the year 2017-2018 is very remarkable. The performance, liquidity of the Company are gradually developing whereas the profitability has slightly declined. We are focusing on the sustainability and efficiency. The overall company's position has been reflected in the Financial Statements which have been prepared and presented in accordance with all generally accepted accounting principles. The overall company's position and future planning, methods of preparation of financial statements have been summarized below:

Preparation of Financial Statements

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 applicable Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

Accounting Policies and Estimates:

The details of accounting policies and estimates applied for the preparation of Financial Statements are described in note no.02 of audited financial statements. There is no changes in accounting policies and estimates for the fiscal year 2017-2018.

Financial Performance:

(Amount in Lac Taka)

Operational results	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-13
Revenue	3495.80	2872.71	2152.95	61.39	93.56	87.53
Gross Profit	480.19	542.14	552.29	45.32	59.78	69.37
Profit after Tax	360.16	407.50	414.13	33.66	45.76	53.00
EPS (Taka)	36.23	41	41.7	3.39	4.60	5.33
Net Asset Value per share (Taka)	169.31	143.07	112.08	73.41	73.03	71.01
Net Operating Cash flow per share (Taka)	87.26	4.75	(80.30)	61.98	(0.42)	(5.42)

Considering the all business segments of ELBL there is no such a similar company in the Industry. But there are some companies which are marketing the Base Oil, Lubricants & Battery as a part of their business segment. So we could not compare the financial performance with the peer Industry scenario as per condition No. 1.(5)(xxv)(d) of Corporate Governance Code-2018.

Global and Local Economic Scenario:

The global economy grew by about 3.74% as compared to the previous year. Global Growth is expected to crop up between 3.73 % and 3.65% in the year 2018-2019. GDP growth is expected to increase to 8% in 2018-2019 which was 7.65% in last FY 2017-2018. Bangladesh will have \$700 billion economy by the year 2030 from its current \$300 billion economy. Government of Bangladesh has visionary target to build a durable and sustainable energy, power and transportation infrastructure in order to become a prosperous nation by the year 2030. China will

be expected to continue as the single biggest contributor to global growth over next decade and by 2030 will be the largest economy of the world. The huge potential of Bangladesh creates golden opportunity for transport sector in Bangladesh since all these developments will be followed by massive infrastructural development and economic boom will be followed by rapid industrialization and urbanization. Further, a huge amount of investment is flowing to Bangladesh Economic Zone following some Special Zone Acts have been promulgated by Government of Bangladesh.

Risk and Mitigation:

Risk factors:

Although the economy of Bangladesh is growing faster and it creates an opportunity for the entire lubricant industry and power sector. There are also some business risk arises from various factors e.g price volatility, high lead time in port creating port congestion, poor infrastructure, dilatoriness in Govt. service and clearance, currency fluctuation, technological change and development, saturated imported lubricant products, locally produced substandard lubricant products, product shortage and overages, changes to oil-derived products and petrochemicals flow, continuing emphasis on energy efficiency, environment and sustainability along with political and legislative risk are challenges to the base oil and lubricant industry. Besides, there is a stiff competition in the Battery market although our product quality is much better than that of locally produced Battery. Price factors are very much concern for us.

Mitigation policy:

The Govt. of Bangladesh is emphasizing of enacting favorable rules and policy to attract the investors. We are taking a decision to set up a separate department to identify and assess the potential risks and to find the way out to mitigate those risks. The enterprise risk management policy has been implemented. A dedicated team is regularly monitoring the inherent business risk and taking corrective measures.

Future Planning:

ELBL is planning to modernize the existing plant and enhancement of blending capacity of upgraded Lubricants and quality product. With endeavor the company is preferring to increase its operating income by increasing its current level sale of base oil and battery. The company is also adhering to improve its performance through specialization, differentiation, segmentation and overall diversification. We are hopeful that we shall achieve our projected target.



(Mohiuddin Ahmed)

Managing Director

EASTERN LUBRICANTS BLENDERS LIMITED

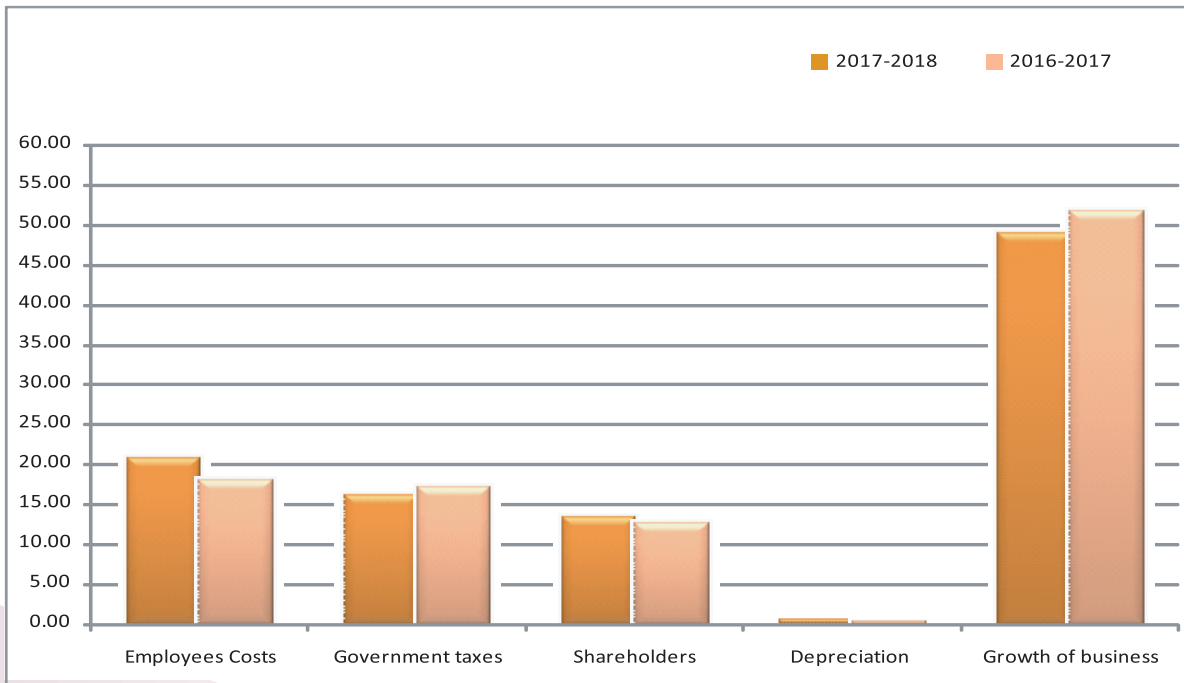
Value Added Statement

For the year ended 30 June 2018

	Taka In '000			
	30-Jun-18	%	30-Jun-17	%
Value Added				
Revenue	349,580		287,271	
Other Income / (Expenses)	3,764		2,432	
	<u>353,344</u>		<u>289,703</u>	
less: Purchase of Raw Materials & Services	279,601		211,011	
Taka	<u>73,743</u>	<u>100.00</u>	<u>78,692</u>	<u>100.00</u>

Value Distributed :

Employees Costs	15,344	20.81	14,174	18.01
Government in the form of income tax	12,003	16.28	13,464	17.11
Shareholder in the form of Dividend	9,940	13.48	9,940	12.63
Replacement of Fixed Asset in the form of Depreciation	440	0.60	364	0.46
Growth of business in the form of transfer to General Reserve	36,016	48.84	40,750	51.78
Taka	<u>73,743</u>	<u>100.00</u>	<u>78,692</u>	<u>100.00</u>



Report of the Audit Committee

Audit Committee of Eastern Lubricants Blenders Limited was formed by the Board of Directors of the Company in accordance with the Bangladesh Securities and Exchange Commission's Notification No-SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

The Audit Committee of Eastern Lubricants Blenders Limited is comprised of three members of the Board of Directors and Company Secretary.

The composition of present Audit Committee is as under;

Mr. Shahjahan Majumder, FCA	:	Chairman
Sayed Mohammad Mozammel Haque	:	Member
Mr. Md. Sarwar Alam	:	Member
Mr. Mohiuddin Ahmed	:	Secretary

Terms of Reference

The purpose of the Audit Committee is to ensure and to improve the adequacy of internal control system and provides the update information to the Board of Directors. The Committee is empowered to examine the matter relating to the financial and other affairs of the Company. The terms of reference of the Audit Committee cover all matters specified under Clause-5(5) of the Bangladesh Securities and Exchange Commission's Notification dated 3 June 2018.

Number of Meeting

The Committee formally met four times during the period from July 2017 to June 2018.

Role of the Committee

- ❖ Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible ;
- ❖ Reviewing with the management regarding the annual financial statements before submission to the Board;
- ❖ Reviewing with the management regarding the quarterly and half yearly financial statements before submission to the Board.
- ❖ Reviewing with the management and statutory and internal auditors, the adequacy of internal control system;
- ❖ Discussing with internal auditors regarding any significant findings and follow-up such issues;
- ❖ Discussing with statutory auditors, before the audit commence, on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern;
- ❖ Reviewing the Company's financial and risk management policies.
- ❖ Reviewing Management Letters issued by statutory auditors.

Activities carried out by the Audit Committee :

The committee reviewed and discussed the financial reports preparation and the external audit report during FY 2017-2018. The committee found adequate arrangement to present a free and fair view of the activities and the financial status of the company and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

(Shahjahan Majumder, FCA)
Chairman, ELBL Audit Committee
Date: 10.11.2018

AUDITORS' REPORT TO THE SHAREHOLDERS OF EASTERN LUBRICANTS BLENDERS LIMITED

We have audited the accompanying financial statements of EASTERN LUBRICANTS BLENDERS LIMITED ("the Company"), which comprise the Statement of Financial Position as at 30 June 2018 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Auditing Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2018 and the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 those books;
- (iii) The Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the Company's business.

Other matter

The financial statements of the company for the year ended 30 June 2017 were audited by Hoda Vasi Chowdhury & Co, Chartered Accountants and Ahmad & Akhtar, Chartered Accountants jointly and issued unqualified opinion on 09 November 2017.

Chattogram
10 November, 2018


Ahmad & Akhtar
Chartered Accountants


Hussain Farhad & Co
Chartered Accountants

EASTERN LUBRICANTS BLENDERS LIMITED
Statement of Financial Position

As at 30 June 2018

ASSETS	Note(s)	Taka in '000	
		30 June 2018	30 June 2017
Non Current Assets			
Property, Plant and Equipment	4	8,226	8,667
Available - for- Sale Financial Assets	5	1,602	1,667
Total Non Current Assets		9,828	10,334
Current Assets			
Inventories	6	46,656	28,507
Account Receivables	7	80,637	126,510
Advances and Pre-payments	8	52,352	63,718
Cash and Cash Equivalents	9	113,010	35,746
Total Current Assets		292,655	254,481
Total Assets		302,483	264,815
EQUITY AND LIABILITIES			
Equity			
Share Capital	10	9,940	9,940
Retained Earnings		157,942	131,866
General Reserve		408	408
Total Equity		168,290	142,214
Non Current Liabilities			
Deferred Tax Liability	11	1,224	1,236
Total Non Current Liabilities		1,224	1,236
Current Liabilities			
Advance against sales	12	1,516	3,189
Creditors and Accruals	13	115,380	100,951
Unclaimed Dividend	14	1,531	1,064
Provision for Income Tax	15	12,015	13,327
Workers' Profit Participation and Welfare Fund	16	2,527	2,834
Total Current Liabilities		132,969	121,365
Total Liabilities		134,193	122,601
Total Equity and Liabilities		302,483	264,815
Net Assets Value Per Share	26	169.31	143.07

The annexed notes 1 to 32 form an integral part of these financial statements.

Mohiuddin/Ahmed
Company Secretary

Md. Masudur Rahman
CEO & Managing Director

Shahjahan Majumder, FCA
Director

Sayed Md. Mozammel Haque
Director

Signed in terms of our annexed report of same date

Chattogram
10 November, 2018

Ahmad & Akhtar
Chartered Accountants

Hussain Farhad & Co
Chartered Accountants

EASTERN LUBRICANTS BLENDERS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Note(s)	Taka in '000	
		1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
Revenue	17	349,580	287,271
Direct Expenses	18	(300,628)	(231,328)
Operating Profit/(Loss)		48,952	55,943
Administrative and General Expenses	19	(2,105)	(1,686)
Trading Profit / (Loss)		46,847	54,257
Non Operating Income	20	3,764	2,432
Unrealized Gain/ (Loss) on Market value of Financial Assets	5.01	(65)	359
Profit Before Contribution to WPPF and WWF and Taxation		50,546	57,048
Contribution to WPPF and Welfare Fund	16	(2,527)	(2,834)
Profit Before Taxation		48,019	54,214
Income Tax Expenses			
Current Tax	15	(12,015)	(13,327)
Deferred Tax	11	12	(137)
		(12,003)	(13,464)
Profit After Taxation		36,016	40,750
Other Comprehensive Income		-	-
Total Comprehensive Income		36,016	40,750
Earning Per Share (Basic EPS)	25	36.23	41.00

The annexed notes 1 to 32 form an integral part of these financial statements.


Mohiuddin Ahmed
Company Secretary


Md. Masudur Rahman
CEO & Managing Director


Shahjahan Majumder, FCA
Director


Sayed Md. Mozammel Haque
Director

Signed in terms of our annexed report of same date

Chattogram
10 November, 2018


Ahmad & Akhtar
Chartered Accountants


Hussain Farhad & Co
Chartered Accountants

EASTERN LUBRICANTS BLENDERS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2018

Taka in '000

Particulars	Share Capital	Retained Earning	General Reserve	Total
Balance as on 01 July 2016	9,940	101,056	408	111,404
Net Profit for the year	-	40,750		40,750
Cash Dividend for the 2015-2016	-	(9,940)		(9,940)
Balance as at 30 June 2017	9,940	131,866	408	142,214
Balance as on 01 July 2017	9,940	131,866	408	142,214
Net Profit for the year	-	36,016	-	36,016
Cash Dividend for the 2016-2017	-	(9,940)	-	(9,940)
Balance as at 30 June 2018	9,940	157,942	408	168,290

Mohiuddin/Ahmed
Company Secretary

Md. Masudur Rahman
CEO & Managing Director

Shahjahan Majumder, FCA
Director

Sayed Md. Mozammel Haque
Director

EASTERN LUBRICANTS BLENDERS LIMITED

Statement of Cash Flows For the year ended 30 June 2018

		Taka in '000	
Note(s)	1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017	
A. Operating activities			
	Receipts from customers against sales and others	397,544	197,261
	Net Cash (Paid) to Suppliers and Others	(296,297)	(174,869)
	Cash generated by operations	101,247	22,392
	Advance Income Tax paid	(14,510)	(17,666)
	Net cash flows from operating activities	86,737	4,726
B. Investing activities			
	Net cash flows from investing activities	-	-
C. Financing activities			
	Dividend paid	(9,473)	(9,664)
	Net cash flows from financing activities	(9,473)	(9,664)
	D. Net increase/(decrease) in cash and cash equivalents (A+B+C)	77,264	(4,938)
	E. Cash and Cash Equivalents at the beginning of the year	35,746	40,684
	F. Cash and Cash Equivalents at the end of the year (D+E)	113,010	35,746
	Net operating cash flows per share	87.26	4.75


Mohiuddin/Ahmed
Company Secretary


Md. Masudur Rahman
CEO & Managing Director


Shahjahan Majumder, FCA
Director


Sayed Md. Mozammel Haque
Director

EASTERN LUBRICANTS BLENDERS LIMITED**Notes to the Financial Statements****At the and for the year ended 30 June 2018****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

Its principal activity 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 as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

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 BAS 1 – “Presentation of Financial Statements”. The financial statements comprise of:

- a) A statement of financial position as at 30 June 2018
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2018
- c) A statement of changes in equity for the year ended 30 June 2018
- d) A statement of cash flows for the year ended 30 June 2018
- 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) The Value Added Tax Act, 1991
- d) The Value Added Tax Rules, 1991
- e) The Customs Act, 1969
- f) Bangladesh Labor Law, 2006
- 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 issue on 10 November 2018.

2.05 Basis of Measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

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 2017 to 30 June 2018.

2.08 Applicable Accounting Standards

The following BASs are applicable for preparation and reporting of the Financial Statements for the year under review:

- BAS - 1 Presentation of Financial Statements
- BAS - 2 Inventories
- BAS - 7 Statement of Cash Flows
- BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS - 10 Events after the reporting period
- BAS - 12 Income Taxes
- BAS - 16 Property, Plant and Equipment
- BAS - 18 Revenue
- BAS - 19 Employee Benefits
- BAS - 24 Related Party Disclosures
- BAS - 33 Earnings Per Share
- BAS - 36 Impairment of Assets
- BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS - 39 Financial Instruments: Recognition and Measurement
- BFRS - 7 Financial Instruments: Disclosures
- BFRS - 13 Fair Value Measurement

2.09 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards -

- (a) BFRS - 9 Financial Instruments
- (b) BFRS - 15 Revenue from Contracts with Customers

The above standards are effective for annual reporting periods beginning on or after 01 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of BFRS 9 and BFRS 15.

2.10 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.

2.11 Cash Flows Statement

Statement of Cash Flows is prepared principally in accordance with BAS-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.

2.12 Use of Estimates and Judgements

The preparation of these financial statements is in conformity with BAS and BFRS 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: 6 Inventories
- Note: 7 Account Receivables
- Note: 11 Deferred Tax Liability
- Note: 13 Creditors and Accruals
- Note: 15 Provision for Income Tax

2.13 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.

2.14 Comparative Information

Comparative information has been disclosed in respect of the year ended on 30 June 2017 in accordance with BAS - 1 "Presentation of Financial Statements", for all numeric information in the financial statements.

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 BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-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 2018 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2017.

3.02 Property, Plant and Equipment

i) Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated 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 BAS-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

Depreciation is recognized in statement of profit or loss and other comprehensive income on reducing balance method over the estimated useful lives of property, plant and equipment.

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

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

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 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 BAS 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.

Loans and Receivables

Loans and 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, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, account receivables, other receivables and deposits.

a) Account Receivables

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

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

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

b) Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or 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 BAS-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. BAS-1 "Presentation of Financial Statements" provides that cash and cash equivalent are not restricted in use. Considering the provision of BAS 7 and BAS 1, cash in hand and bank balances have been considered as cash and cash equivalents.

Available-for-sale

Investment in quoted shares are designated as available -for-sale financial assets. Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

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.

ii) Defined Benefit Plan**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 BAS 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 BAS-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 (i.e. significant risk and reward associated with ownership are transferred to the customers);

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

3.12 Earnings Per Share (EPS)

Basic 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.

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 Depreciation

Amount in Taka

Particulars	Cost			Depreciation				Written down value (WDV) at 30 June 2018
	Balance as on 01 July 2017	Addition during the year	Deletion during the year	Balance as on 30 June 2018	Charged for the year	Deletion during the year	Balance as on 30 June 2018	
General Building								
Class-II	4,797,773	-	-	4,797,773	117,637	-	482,782	4,314,991
Class-III	1,423,973	-	-	1,423,973	8,929	-	1,323,618	100,355
General Plant	16,985,411	-	-	16,985,411	295,923	-	13,335,627	3,649,784
Underground Cables	10,553	-	-	10,553	12	-	10,402	151
Storage Tanks	1,284,135	-	-	1,284,135	8,420	-	1,208,362	75,773
Electric Machinery	151,099	-	-	151,099	102	-	150,508	591
Pipeline and Boilers	1,170,123	-	-	1,170,123	8,631	-	1,092,440	77,683
Office Equipment	45,600	-	-	45,600	105	-	45,006	594
Furniture and Fixture	23,452	-	-	23,452	309	-	17,549	5,903
Truck and Browsers	580,000	-	-	580,000	144	-	579,426	574
Balance as at 30 June 2018	26,472,119	-	-	26,472,119	440,212	-	18,245,720	8,226,399
Balance as at 30 June 2017	22,312,285	4,159,834	-	26,472,119	363,772	-	17,805,508	8,666,611

Depreciation Allocated to:

	Taka in '000	
	30 June 2018	30 June 2017
Blending Expenses	440	364
	<u>440</u>	<u>364</u>
	18.01	

5.00 AVAILABLE - FOR - SALE FINANCIAL ASSETS	Taka in '000	
	30 June 2018	30 June 2017
Investment in Share:		
ICB Islamic Bank Limited (Formerly The Oriental Bank Limited)	1,602	1,667
	1,602	1,667
Market Price Per Share	4.90	5.10

5.01 Calculation of Unrealized Gain/(Loss)

Particulars	Number of Shares	Taka in '000		Unrealized Gain/(Loss)
		Market Value as on 30 June 2018	Market Value as on 30 June 2017	
ICB Islamic Bank Limited	326,900	1,602	1,667	(65)
	326,900	1,602	1,667	(65)

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

The above mentioned investment in shares are carried at fair value (Taka 4.90 each) as on 30 June 2018. Net gain/(loss) thereon has been charged to the Statement of Profit or Loss & Other Comprehensive Income in due compliance with "BAS-39: Financial Instruments - Recognition and Measurement".

According to para 67 of IAS 39 "Financial Instruments: Recognition and Measurement" Impairment loss of available - for - sale financial asset reclassified from Other Comprehensive Income to Profit or loss due to the fair value of the financial asset declined below the cost of the financial asset.

6.00 INVENTORIES	Note(s)	Taka in '000	
		30 June 2018	30 June 2017
Yuasa Branded Battery	6.01	24,280	28,507
Stock in Transit (Base Oil)		22,376	-
		46,656	28,507
6.01 Yuasa Branded Battery			
Opening Balance		28,507	24,496
Add: Purchase During the Year		11,061	25,670
		39,568	50,166
Less: Return During the year		(5,479)	(5,954)
		34,089	44,212
Less: Issued during the year		(9,809)	(15,705)
		24,280	28,507
7.00 ACCOUNTS RECEIVABLES			
Trade Receivables	7.02	79,849	126,072
Other Receivables	7.03	788	438
		80,637	126,510

7.01 Aging of Accounts Receivables:

	Taka in ' 000				Total
	Up to 6 months	Over 6 months but less than 1 year	Over 1 Year but less than 2 years	Over 2 Years	
Trade Receivables	77,373	-	-	2,476	79,849
Other Receivables	719	-	69	-	788
	78,092	-	69	2,476	80,637

		Taka in '000	
		30 June 2018	30 June 2017
7.02 Trade Receivables			
	Bangladesh Petroleum Corporation	-	21,429
	Padma Oil Company Limited	71,981	95,535
	Meghna Petroleum Limited	1,043	1,043
	Jamuna Oil Company Limited	1,433	2,111
	Japan Solertech (Bangladesh) Ltd	5,392	5,954
		79,849	126,072
7.03 Other Receivables			
	Accrued Interest on FDR	719	375
	Others	69	63
		788	438
8.00 ADVANCES AND PREPAYMENTS			
	Advances	52,285	63,651
	Prepayments	67	67
		52,352	63,718
8.01 Advances			
	Advance Income Tax	16,206	15,023
	Advance License Fee	40	40
	VAT Current Account	35,928	48,430
	Customs	111	158
		52,285	63,651
8.01.01 Advance Income Tax			
	Opening Balance	15,023	11,247
	Add: Advance Income tax paid at source	14,510	17,666
	Less: Paid / Adjusted during the year	(13,327)	(13,890)
	Closing Balance	16,206	15,023
8.02 Prepayments			
	Insurance Premium	67	67
		67	67
9.00 CASH AND CASH EQUIVALENTS			
	Cash at Bank	61,903	4,639
	Fixed Deposit Receipts	51,107	31,107
		113,010	35,746
9.01 Cash at Bank			
	Name of Banks	Branch	Account Type
	Standard Chartered Bank	Station Road	Call Deposit
			763
	Standard Chartered Bank	Station Road	Current Deposit
			3
	Standard Chartered Bank	Station Road	Devidend
			495
	Prime Bank Limited	Halishahar	Current Deposit
			60,642
			61,903
			4,639
9.02 Fixed Deposit Account			
	Name of Banks	Branch	Purpose
	Basic Bank Limited	Agrabad	Investment
			3 Months
			-
	ICB Islamic Bank Limited	Khatungonj	Investment
			3 Months
			1,107
	Rupali Bank Limited	Majirghat	Investment
			3 Months
			50,000
			51,107
			31,107

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 installment 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.

10.00 SHARE CAPITAL
10.01 Authorized Capital:

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

Issued, Subscribed and Paid-up Capital:

195,000 Ordinary shares of Tk.10 each fully paid in cash

18,000 Ordinary shares of Tk 10 each fully paid for consideration other than cash

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

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

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

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

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

994,000 Ordinary shares of Tk.10 each

Taka in '000	
30 June 2018	30 June 2017
50,000	50,000
50,000	50,000
1,950	1,950
180	180
1,065	1,065
1,065	1,065
1,065	1,065
2,130	2,130
2,485	2,485
9,940	9,940

10.02 Position of Share Holding

Name of share holders	30 June 2018		30 June 2017	
	Percentage of share holding	Number of Shares	Percentage of share holding	Number of Shares
A. Bangladesh Petroleum Corporation	51.00%	506,941	51.00%	506,941
B. Public Institutions				
Jiban Bima Corporation	15.04%	149,520	15.04%	149,520
Adamjee Sons Limited	1.94%	19,273	1.94%	19,273
Bangladesh Commerce Bank Limited	1.25%	12,392	0.00%	-
Bangladesh General Limited	1.11%	11,060	1.11%	11,060
Bangladesh Commodities Limited	0.83%	8,260	0.83%	8,260
Tea Bangladesh Limited	0.83%	8,260	0.83%	8,260
Sadharan Bima Corporation	0.08%	753	0.08%	753
Bangladesh Shilpa Rin Sangstha	0.00%	-	0.00%	43
Bangladesh Fund	0.00%	-	0.10%	1,000
	21.08%	209,518	19.94%	198,169
C. Investment Corporation of Bangladesh				
Investment Corporation of Bangladesh	0.00%	-	0.09%	850
ICB Unit Fund	0.00%	-	0.02%	200
ICB local office portfolio account	0.00%	-	0.05%	500
4th, 5th & 7th ICB Mutual Fund	0.00%	-	0.07%	649
	0.00%	-	0.23%	2,199

Name of share holders	30 June 2018		30 June 2017	
	Percentage of share holding	Number of Shares	Percentage of share holding	Number of Shares
D. Private Institution				
Empire Securities Holdings Limited	0.00%	-	0.01%	50
AL Securities Limited	0.00%	-	0.20%	2,028
Meghna Life Insurance Co. Limited	0.00%	-	0.10%	1,000
National Finance Ltd	0.00%	-	0.70%	7,000
Midway Securities Ltd	0.00%	-	0.20%	2,008
Swadesh Investment Management	0.60%	6,000	0.66%	6,597
Hazarat Amanat Shah Securities	0.00%	-	0.47%	4,674
Kolasin Ltd	0.00%	-	0.20%	2,000
Social Islami Bank Limited	0.25%	2,500	0.00%	-
FAS Capital Management Ltd.	0.08%	800	0.00%	-
Be Rich Limited	0.06%	610	0.09%	900
Digital Capital Investment Company	0.60%	6,000	2.61%	25,948
Excellent Investment Limited	0.01%	50	0.01%	50
	1.61%	15,960	5.26%	52,255
E. Individuals (Bangladeshi)				
	26.32%	261,581	23.59%	234,436
	100.00%	994,000	100.00%	994,000

10.03 There are no non-resident shareholders.

10.04 Classification of shares by holding

Slab by number of shares	No. of Shareholders	No. of Shares	Holding (%)
Less than 500	1533	128,794	12.96%
From 501 to 5,000	116	130,720	13.15%
From 5,001 to 10,000	5	35,300	3.55%
From 10,001 to 20,000	3	42,725	4.30%
Above 100,000	2	656,461	66.04%
	1,659	994,000	100%

11.00 DEFERRED TAX LIABILITY

	Note(s)	Taka in '000	
		30 June 2018	30 June 2017
Opening Balance		1,236	1,099
Add/(Less): Provision made during the year	11.01	(12)	137
Closing balance		1,224	1,236

11.01 Computation of Deferred Tax (Asset)/Liabilities:

Details	Carrying Value as on 30 June 2018	Tax Base as on 30 June 2018	Temporary Difference	Status Taxable/(Deductible)
	Taka	Taka	Taka	
Building (General)	4,314,991	3,128,994	1,185,997	Taxable
Building (Factory)	100,355	130	100,225	Taxable
General Plant	3,649,784	188,341	3,461,443	Taxable
Underground cables	151	2	149	Taxable
Storage Tanks	75,773	3,381	72,392	Taxable
Electric Machinery	591	261	330	Taxable
Pipeline and Boilers	77,683	5,380	72,303	Taxable
Office Equipment	594	114	480	Taxable
Furniture & Fixture	5,903	1,441	4,462	Taxable
Truck and Browsers	574	206	369	Taxable
Total	8,226,399	3,328,249	4,898,151	
	Applicable Tax Rate	As at 30 June 2018	As at 30 June 2017	Increase/(Decrease)
Deferred Tax Liability	25%	1,224,537	1,236,270	(11,733)

	Note(s)	Taka in '000	
		30 June 2018	30 June 2017
12.00 ADVANCE AGAINST SALES			
From Dealers of Battery		1,516	3,189
		1,516	3,189
13.00 CREDITORS AND ACCRUALS			
Creditors For Goods	13.01	9,287	8,513
Creditors For Expenses	13.03	360	165
Creditors for Other Finance	13.04	105,733	92,273
		115,380	100,951
13.01 Creditors for Goods			
Meghna Petroleum Company Limited	13.02	3,726	3,726
Japan Solartech (Bangladesh) Limited		5,561	4,787
		9,287	8,513
13.02	The above amount denotes an obligation of ELBL to Meghna Petroleum Limited that arose in 1987 due to Base Oil but remained unsettled.		
13.03 Creditors for Expenses			
Audit Fees		60	60
Printing of Annual Report		100	105
Service Fee to BPC		200	-
		360	165
13.04 Creditors for Other Finance			
Revolving Fund	13.04.01	12,107	12,107
VAT Payable to MPL, JOCL & POCL		88,713	68,817
Earnest Money Deposit		1,509	1,987
Security Money from Dealers of Battery		3,100	4,400
Others		304	4,962
		105,733	92,273
13.04.01	Revolving Fund represents security money received from BPC, MPL and JOCL which can be utilized in future against non payment of bills.		
14.00 UNCLAIMED DIVIDEND			
Opening Balance		1,064	788
Add: Cash Dividend for the year		9,940	9,940
		11,004	10,728
Less: Paid During the Year		(9,473)	(9,664)
Closing Balance		1,531	1,064
Dividend Outstanding for the years			
2006 - 2007		15	15
2007 - 2008		21	21
2008 - 2009		49	49
2009 - 2010		79	79
2010 - 2011		96	96
2011 - 2012		29	29
2012 - 2013		80	80
2013 - 2014		322	322
2014 - 2015		97	97
2015 - 2016		276	276
2016 - 2017		467	-
		1,531	1,064

	Note(s)	Taka in '000	
		30 June 2018	30 June 2017
15.00 PROVISION FOR INCOME TAX			
Opening Balance		13,327	13,890
Add: Provision during the period		12,015	13,327
		25,342	27,217
Less: Paid / Adjusted during the year	8.01.01	(13,327)	(13,890)
Closing Balance		12,015	13,327
16.00 WORKERS' PROFIT PARTICIPATION & WELFARE FUND			
Opening Balance		2,834	2,909
Add: Provision during the year		2,527	2,834
		5,361	5,743
Less: Paid /Adjusted during the year		(2,834)	(2,909)
Closing Balance		2,527	2,834

	Note(s)	Taka in '000	
		1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
17.00 REVENUE			
Blending Charges Recovery	17.01	5,371	4,909
Sale of Battery		10,996	17,598
Sale of Base Oil*		333,213	264,764
		349,580	287,271

* In a joint meeting between BPC & its subsidiaries held on 01 March 2011 it was decided that ELBL shall be permitted to import lub base oil as per requirement of Padma Oil Company Limited (POCL), Meghna Petroleum Limited (MPL) and Jamuna Oil Company Limitd (JOCL) to meet their urgent demand. ELBL fulfilled the requirement of POCL during the year under audit. It appears that importation of base oil is the turning point of Company's revenue earning.

	1 July 2017 to 30 June 2018		1 July 2016 to 30 June 2017	
	Quantity in MT	Taka in '000	Quantity in MT	Taka in '000
17.01 Blending Charges Recovery				
A) Lubricating Oil				
HVI Industrial Grade	599	2,023	557	1,881
Automotive Oil SF/cc(Min) High Additive	220	741	217	733
Automotive Oil SC/cc(Min)	403	1,361	316	1,066
Gear Oil GL-4	112	378	75	253
Automotive Oil SC/CC (5 Ltr. Can)	138	464	152	514
Automotive Oil SF/CC(Min) (5 ltr. can)	8	27	10	32
Automotive Gear Oil GL-4 (5 Ltr. Can)	51	172	72	243
Automotive Gear Oil GL-5 (1Ltr.P/B Btl)	6	19	6	21
Automotive Gear Oil GL-4 (1 Ltr. P/B. Btl.)	5	17	2	8
Automotive Oil SC/CC(Min) (1 ltr. can)	2	7	1	4
	1,544	5,209	1,408	4,755
B) Grease				
Padma Wrog Compound (ABCDH)	32	162	31	154
Total Blending charges Recovery (A+B)	1,576	5,371	1,439	4,909

17.02 Operating Segment

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

Lubricating Oil: Includes the company's blending charges recovered pertinent to lubricating oil blending.

Grease: Includes the company's blending charges recovered pertinent to Grease blending.

Battery: Includes the company's income from trading Yuasa Branded Battery.

Base Oil: Includes the company's income from trading Base Oil.

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:

17.02.01 Information about reportable Segments:

	Taka '000				
	Lubricating Oil	Grease	Battery	Base Oil	Total
Revenue	5,209	162	10,996	333,213	349,580
Direct Cost	(20,595)	(432)	(9,865)	(269,736)	(300,628)
Operating Profit/(Loss)	(15,386)	(270)	1,131	63,477	48,952
General & Administrative expenses	(2,105)	-	-	-	(2,105)
Reportable Segment Profit Before Tax	(17,491)	(270)	1,131	63,477	46,847

17.02.02 Reconciliation of Reportable Segment Profit Before Tax

	Note(s)	Taka in ' 000	
		1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
Reportable Segment Profit Before Tax		46,847	54,257
Amount not related to reportable segments	17.02.03	1,172	(43)
Profit before tax		48,019	54,214

17.02.03 Amount Not Related to Reportable Segments

Non-Operating Income	20.00	3,764	2,432
Unrealized Gain/ (Loss) on Market value of Financial Assets		(65)	359
Contribution to Worker Profit Participant and Welfare Fund		(2,527)	(2,834)
		1,172	(43)

18.00 DIRECT EXPENSES

Blending Expenses	18.01	21,027	20,317
Cost of Battery Sold		9,865	15,859
Cost of Base Oil Sold		269,736	195,152
		300,628	231,328

18.01 Blending Expenses
A) Fixed Blending Expenses
Employees Cost:

Salary and Wages		3,896	5,939
House Rent Allowance		1,741	1,896
Bonus		1,138	891
Pension and Gratuity		4,337	2,134
Medical Expenses		302	787
Overtime		302	767
Provident Fund		325	452
Canteen Subsidy/ Lunch Assistance		465	534
Leave Encashment		192	72
Management Employees Car Expenses		40	16
Income Tax		235	90
Leave Fare Assistance		104	90
Group Insurance		21	22
		13,098	13,690

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

		Taka in ' 000	
		1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
B) Fixed Blending Overhead :	Note(s)		
Depreciation	4.00	440	364
Insurance		134	134
Printing, Postage and Stationery		25	145
Telegrams/Telex and Telephone		14	13
Travelling and Conveyance		94	116
Advertisement		727	685
Rates and Taxes		-	23
Entertainment		106	49
Rent		354	354
		1,894	1,883
C) Variable Blending Overhead:			
Fuel and Power		1,133	1,157
Contract Labor		1,162	857
Stores and Spares		344	372
Repairs and Maintenance		1,201	540
Sundries		2,195	1,818
		6,035	4,744
Total Blending Cost		21,027	20,317
19.00 ADMINISTRATIVE AND GENERAL EXPENSES			
Service Fee (Including Tk. 200 thousand to BPC)		700	700
Directors Fee and Expenses		446	384
Audit Fees	21.00	60	60
Listing Fee		86	55
AGM Expenses		813	487
		2,105	1,686
19.01	Directors are paid fees for attending Board Meetings.		
19.02	Directors are provided with accommodation and travelling expenses for attending meetings.		
19.03	During the year under review 5 (Five) Board Meetings were held.		
20.00 NON OPERATING INCOME			
Interest on FDR		2,340	1,737
Interest on Saving Accounts		1,315	591
Storage Charges Recovered		87	79
Others		22	25
		3,764	2,432
21.00 AUDITORS REMUNERATION			
Audit Fees		60	60
		60	60
	Audit Fees represent auditors remuneration which is fixed up by the Shareholders in the Annual General Meeting.		
22.00 REMUNERATION OF EXECUTIVES AND OTHERS			
Salary and Bonus		977	1,424
House Rent		392	694
Provident Fund		68	125
		1,437	2,243
22.01	Executives and Officers are paid house rent allowance in cash.		
22.02	The Executives and Officers are provided with free medical facilities according to company rules.		
22.03	The Executives and Officers are covered under the group insurance scheme.		

23.00 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 2018	30 June 2017
-	-
10	10
10	10

24.00 RECONCILIATION OF CASH GENERATED BY OPERATIONS

Profit before income tax
 Depreciation charged
 Unrealized Gain/ (Loss) on Market value of Financial Assets
 Increase in Inventory
 (Increase)/Decrease in Account Receivables
 Decrease in Advance Against Sales
 Decrease in Advances, Deposits and Pre-payments
 Increase in Creditors and Accruals
 Decrease in Provision of WPPF and WF

Taka in ' 000	
1 July 2017 to 30 June 2018	1 July 2016 to 30 June 2017
48,019	54,214
440	364
65	(359)
(18,149)	(4,011)
45,873	(89,809)
(1,673)	(2,633)
12,549	17,486
14,430	47,215
(307)	(75)
101,247	22,392

25.00 EARNING PER SHARE (EPS)

Profit attributable to the ordinary shareholders
 Number of ordinary shares at the year end
 Basic earnings per share (EPS)

36,016	40,750
994	994
36.23	41.00

* EPS for the year 01 July 2016 to 30 June 2017 has been restated due to impairment loss of available-for-sale financial asset reclassified from Other Comprehensive Income to Profit or loss.

26.00 NET ASSET VALUE PER SHARE

Net Asset Value
 Number of ordinary shares at the year end
 Net Asset Value per share

168,290	142,214
994	994
169.31	143.07

27.00 OPERATING CASH FLOW PER SHARE

Cash Inflow/(Outflow) from Operating Activities
 Number of ordinary shares at the year end
 Operating Cash Flow per share

86,737	4,726
994	994
87.26	4.75

28.00 EVENT AFTER THE REPORTING PERIOD

(i) The Board of Directors in their the meeting held on 10 November 2018 recommended 100% Cash dividend Tk. 9,940,000 for year ended 30 June 2018. (2017 : 100%, Tk. 9,940,000)

(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.

29.0 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

30.0 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 "BAS-24: Related party Disclosures":

Name of the Party	Relation	Nature of Transactions	Taka in '000	
			Outstanding as on 30 June 2018	Outstanding as on 30 June 2017
Bangladesh Petroleum Corporation	Parent Company	Service Fee	200 Cr.	21,429 Dr.
Padma Oil Company Limited	Sister Concern	Current Account	71,981 Dr.	95,535 Dr.

	Metric Ton	
	30 June 2018	30 June 2017
Lubricant Oil and Grease Blending Capacity (Single Shift)	15,000	15,000
Actual Lubricant Oil and Grease Blended	1,576	1,439
Percentage of Utilized Capacity	10.51%	9.59%

31.0 CAPACITY UTILIZATION

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

32.0 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.

Mohiuddin/Ahmed
Company Secretary

Md. Masudur Rahman
CEO & Managing Director

Shahjahan Majumder, FCA
Director

Sayed Md. Mozammel Haque
Director



Eastern Lubricants Blenders Limited
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