

**ORIGINAL**

**Auditor's Report  
&  
Financial Statements  
Of**

**Eastern Refinery Limited (ERL)**  
For The Year Ended June 30, 2023

**Auditor's:**

**MRH DEY & CO.  
Chartered Accountants**

Taher Chamber (1st Floor),  
10, Agrabad Commercial Area, Chattogram.  
Tel. 031-721342, 725549, 717229, 721551  
E-mail : [mrhdeyctg@gmail.com](mailto:mrhdeyctg@gmail.com)  
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**BASU BANERJEE NATH & CO.  
Chartered Accountants**

Taher Chamber (Ground Floor),  
10, Agrabad Commercial Area, Chattogram.  
Tel. 031-2512931  
E-mail: [bbnathco.ctg1933@yahoo.com](mailto:bbnathco.ctg1933@yahoo.com)

**Independent Auditors' Report**  
**TO THE SHAREHOLDERS OF EASTERN REFINERY LIMITED**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of **EASTERN REFINERY LIMITED** ("the Company"), which comprise the Statement of financial position as at June 30, 2023 and the Statement of profit or loss and other comprehensive income, Statement of changes in shareholders equity and Statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, except for the possible effect of the matters described in the basis of Qualified Opinion section of our report, the accompanying financial statements prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) give a true and fair view of the state of the company's affairs as at June 30, 2023 and the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, and other applicable laws and regulations.

**Basis for Qualified Opinion**

We draw attention of the users of the financial statements to the following issues that serve as basis for qualified opinion:

- a. An amount of Tk. 9.22 lakh under store in transit as disclosed in note 5.04 of the financial statements that remains unadjusted since 2016. No satisfactory explanation or documents were provided to us in this regard and so we are unable to satisfy ourselves regarding the valid existence of the said assets.
- b. An amount of TK 91.72 lakh under Advance to Employee as disclosed in note 9.04 of the financial statements remains unadjusted since long and being carried forwarded since 2018. Furthermore, no satisfactory explanation or documents were provided to us in this regards to confirm the valid existence of the said assets.
- c. We could not verify the physical existence of the property plant and equipment of Taka 72,411.09 lakh at cost as at June 30, 2023 (see note-4) including PPE acquired for Taka 666.06 lakh during the reporting period in the absence of complete Fixed Assets Register.
- d. An asset named Vacuum Distillation Column of the Refining plant for a sum of Tk.3,113.80 lakh, financed by Bangladesh Petroleum Corporation (BPC) was once recognized in the books and records of the ERL. But due to having uncertainties regarding valid title/ownership of the assets subsequently during the financial year 2019-2020 this asset was derecognized from Property, Plant and Equipment (PPEs) of the Company though the asset is in use in the production of petroleum product of the entity. Unfortunately, this matter remains unresolved between ERL and BPC.
- e. As disclosed in note 15 of the audited financial statements for the year ended June 30, 2023 required provision for interest on Annual Development Program (ADP) loan amounting to Tk. 614.52 lakh and IDA Loan amounting to Tk. 21.06 lakh has not been recognized.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect all material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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



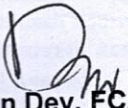
MRH DEY & CO.  
Chartered Accountants

BASU BANERJEE NATH & CO.  
Chartered Accountants

**Report on Other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994, we also report the following:

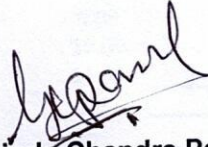
- a) Except for the matters as referred to in the qualified opinion paragraph of our report, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, except for the matters as referred to in the qualified opinion paragraph of our report 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; and
- c) Except for the matters as referred to in the qualified opinion paragraph of our report, the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

  
Haradhan Dey, FCA  
Partner  
MRH Dey & Co.  
Chartered Accountants  
Enrolment No. 0620



DVC No: 2402240620AS176214

24 FEB 2024

  
Gobinda Chandra Paul, FCA  
Partner  
BASU BANERJEE NATH & CO.  
Chartered Accountants  
Enrolment No. 0282

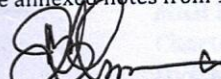


DVC No: 2402240282 AS142841

**EASTERN REFINERY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2023**

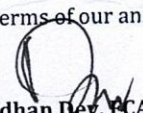
	Note(s)	Taka (In Lakh)	
		30.06.2023	30.06.2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	4.00	9,644.73	9,793.46
<b>Total Non-Current Assets</b>		<b>9,644.73</b>	<b>9,793.46</b>
<b>Current Assets</b>			
Inventories	5.00	11,218.23	9,437.94
Short Term Investment in Fixed Deposit	6.00	4,325.16	4,856.16
Accounts Receivable	7.00	1,138.39	965.37
Current Accounts with BPC	8.00	13,148.15	13,032.57
Loans & Advances	9.00	5,946.87	6,094.96
Deposits & Pre-Payments	10.00	83.05	211.78
Cash & Cash Equivalents	11.00	23,837.59	104.46
<b>Total Current Assets</b>		<b>59,697.44</b>	<b>34,703.24</b>
<b>Total Assets</b>		<b>69,342.17</b>	<b>44,496.70</b>
<b>Equity And Liabilities</b>			
<b>Equity</b>			
Share Capital	12.00	3,300.00	3,300.00
Capital Reserve	13.00	5,595.72	5,439.87
Revenue Reserve	14.00	12,848.92	11,348.92
Retained Earnings		7,680.83	5,749.10
<b>Total Equity</b>		<b>29,425.47</b>	<b>25,837.89</b>
<b>Non Current Liabilities</b>			
Long Term Loan	15.00	635.58	635.58
Retirement Benefits to Employees' (Gratuity)	16.00	4,753.46	5,359.19
Deferred Tax Liability	17.00	1,255.72	1,322.41
<b>Total Non Current Liabilities</b>		<b>6,644.76</b>	<b>7,317.18</b>
<b>Current Liabilities</b>			
Current A/C With BPC	18.00	2,467.43	2,556.74
Accounts Payable	19.00	26,433.23	3,939.99
Dividend Payable	20.00	-	-
Provision for Taxation	21.00	4,371.28	4,844.89
<b>Total Current Liabilities</b>		<b>33,271.94</b>	<b>11,341.62</b>
<b>Total Liabilities</b>		<b>39,916.70</b>	<b>18,658.81</b>
<b>Total Equity And Liabilities</b>		<b>69,342.17</b>	<b>44,496.70</b>

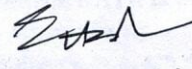
The annexed notes from 1 to 37 form an integral part of these financial statements.

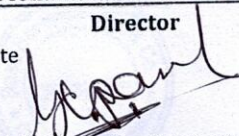
  
**(Md. Lokman)**  
Director



Signed in terms of our annexed report of same date

  
Haradhan Dey, FCA  
Enrolment No. 0620  
Partner of  
MRH DEY & CO.  
Chartered Accountants  
DVC No: 2402240620AS176214

  
**(Mohammad Elius Hossain)**  
Director

  
Gobinda Chandra Paul, FCA  
Enrolment No.0282  
Partner of  
BASU BANERJEE NATH & CO.  
Chartered Accountants  
DVC No: 2402240282AS14284

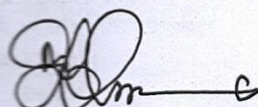


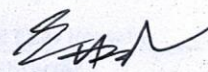
Chattogram,  
**24 FEB 2024**

**EASTERN REFINERY LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Note(s)	Taka (In Lakh)	
		30.06.2023	30.06.2022
Revenue	22.00	28,568.95	26,568.67
Processing Expenses	23.00	(19,236.72)	(15,490.08)
<b>Gross Profit</b>		<b>9,332.23</b>	<b>11,078.59</b>
Administrative Expenses	24.00	(5,553.43)	(5,420.37)
Financial Expenses	25.00	(32.36)	(35.09)
<b>Operating Profit/(Loss)</b>		<b>3,746.44</b>	<b>5,623.13</b>
Other Income	26.00	1,397.64	1,173.67
<b>Net Profit/(Loss) before Taxation and W.P.P. Fund</b>		<b>5,144.08</b>	<b>6,796.80</b>
Less: Contribution to W.P.P. Fund	27.00	257.20	339.84
<b>Net Profit/(Loss) before Taxation</b>		<b>4,886.88</b>	<b>6,456.96</b>
<b>Provision for Income Tax</b>			
Current Tax Expense	21.01	(1,419.87)	(1,700.11)
Deferred Income	17.00	66.68	32.24
<b>Net Profit After Taxation</b>		<b>3,533.69</b>	<b>4,789.09</b>
<b>Earnings Per Share (EPS)</b>	28.00	<b>107.08</b>	<b>145.12</b>

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


  
(Md. Lokman)  
Director

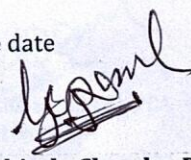
  
(Mohammad Elius Hossain)  
Director

Signed in terms of our annexed report of same date

Chattogram,  
24 FEB 2024



  
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Enrolment No.0620  
Partner of  
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Chartered Accountants  
DVC No: 2402240620AS176214

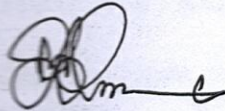
  
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BASU BANERJEE NATH & CO.  
Chartered Accountants  
DVC No: 2402240282AS14284



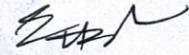
**EASTERN REFINERY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Taka (In Lakh)

	Share Capital	Capital Reserve	Revenue Reserve	Retained Earnings	Total Amount
Balance as at July 01, 2022	3,300.00	5,439.87	11,348.92	5,749.10	25,837.89
Net Profit for the Year	-	-	-	3,533.69	3,533.69
Capital Reserve	-	155.85	-	(155.85)	-
For Expenses & Others	-	-	-	53.89	53.89
Revenue Reserve	-	-	1,500.00	(1,500.00)	-
<b>Balance as at June 30, 2023</b>	<b>3,300.00</b>	<b>5,595.72</b>	<b>12,848.92</b>	<b>7,680.83</b>	<b>29,425.47</b>
Balance as at July 01, 2021	3,300.00	5,286.68	9,848.92	2,727.86	21,163.46
Net Profit for the Year	-	-	-	4,789.09	4,789.09
Capital Reserve	-	153.19	-	(153.19)	-
For Expenses & Others	-	-	-	(114.66)	(114.66)
Revenue Reserve	-	-	1,500.00	(1,500.00)	-
<b>Balance as at June 30, 2022</b>	<b>3,300.00</b>	<b>5,439.87</b>	<b>11,348.92</b>	<b>5,749.10</b>	<b>25,837.89</b>



(Md. Lokman)  
Director




(Mohammad Elius Hossain)  
Director

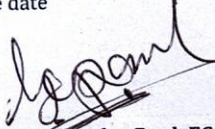
Signed in terms of our annexed report of same date



Chattogram,

24 FEB 2024

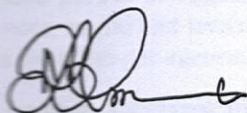
  
Haradhan Dey, FCA  
Enrolment No.0620  
Partner of  
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Chartered Accountants  
DVC No: 240240620AS176214

  
Gobinda Chandra Paul, FCA  
Enrolment No.0282  
Partner of  
BASU BANERJEE NATH & CO.  
Chartered Accountants  
DVC No: 2402240282AS142841

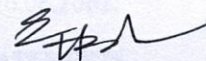


**EASTERN REFINERY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Taka (In Lakh)	
	30.06.2023	30.06.2022
<b>A. Cash Flows from Operating Activities</b>		
Cash Received from Customers	29,793.57	26,350.43
Cash Paid to Creditors and Others	(5,608.91)	(25,318.95)
<b>Net Cash Provided by / (Used in) Operating Activities</b>	<b>24,184.66</b>	<b>1,031.48</b>
<b>B. Cash Flows from Investing Activities</b>		
Addition of Property, Plant & Equipment	(666.06)	(773.06)
Disposal of Property, Plant & Equipment	4.79	3.53
<b>Net cash Provided by / (Used in) Investing Activities</b>	<b>(661.27)</b>	<b>(769.53)</b>
<b>C. Cash Flows from Financing Activities</b>		
Capital Reserve	155.85	153.19
Expenses & Others Adjustment	53.89	(267.84)
Dividend Paid	-	(412.50)
<b>Net Cash Provided by / (Used in) Financing Activities</b>	<b>209.74</b>	<b>(527.15)</b>
<b>D. Cash &amp; Cash Equivalent increase/(decrease) during the year (A+B+C)</b>	<b>23,733.13</b>	<b>(265.20)</b>
<b>E. Cash &amp; Cash Equivalent at beginning of the year</b>	<b>104.46</b>	<b>369.66</b>
<b>F. Cash &amp; Cash Equivalent at end of the year (D+E)</b>	<b>23,837.59</b>	<b>104.46</b>



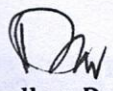
(Md. Lokman)  
Director

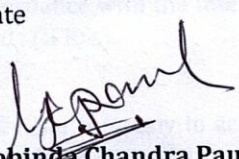


(Mohammad Elius Hossain)  
Director

Signed in terms of our annexed report of same date



  
Haradhan Dey, FCA  
Enrolment No.0620  
Partner of  
MRH Dey & Co.  
Chartered Accountants  
DVC No: 2402240620DAS176214

  
Gobinda Chandra Paul, FCA  
Enrolment No.0282  
Partner of  
BASU BANERJEE NATH & CO.  
Chartered Accountants  
DVC No: 2402240282AS1428



**EASTERN REFINERY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AT AND FOR THE YEAR ENDED JUNE 30, 2023**

**1 THE REPORTING ENTITY**

**1.01 Company's Profile**

Eastern Refinery Limited (ERL), a subsidiary of Bangladesh Petroleum Corporation (BPC) is a Public limited Company incorporated under Companies Act 1913 (Amended in 1994). The project was conceived and initiated in 1963 by a group of the then Pakistani entrepreneurs and after emergence of Bangladesh ERL's operation were over seen first by Bangladesh Mineral Oil & Gas Corporation (BMOGC) & then by Petro Bangla. In order to run the oil sector (both refining & marketing) efficiently & effectively, Bangladesh Petroleum Corporation (BPC) was setup in 1st January 1977 and ERL was placed under BPC. Since then ERL has become a subsidiary of BPC and BPC has been owned 100% share of ERL.

**1.02 Company's Registered Office**

The Registered office and plant Located at North Patenga, Airport Road, Chattogram-4204, Bangladesh.

**1.03 Nature of the Business**

The Principal activities of the Company throughout the year were refining of Crude oil on account of BPC & Export Handling Commission.

**1.04 Merger of Asphaltic Bitumen Plant (ABP)**

A unit of Bangladesh Petroleum corporation (BPC) named Asphaltic Bitumen Plant (ABP) merged with Eastern Refinery Ltd (ERL) with effect from 01.07.2002 on the basis of audited balance sheet of Asphaltic Bitumen Plant (ABP) as on 30.06.2002 as per decision of BPC' s board meeting No.617 dated 28.08.2002 no. 630 dated 18.02.2003 and ERL's board meeting No.250 dated 10.04.2003 no.262 dated 11.03.2004 and no.263 dated 18.04.2004. A vendor's agreement has been duly made between BPC and ERL signed by authorized person of respective part after approval and consent of respective board meeting, official order, note, memo and letters. Accordingly, assets and liabilities of ABP as on 30.06.2002 (as per audited balance sheet) as per agreement merged with the assets and liabilities of ERL as on 30.06.2002.

**2 BASIS OF PREPARATION, PRESENTATION AND 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).

**2.02 Basis of Reporting**

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

- a) Statement of financial position as at 30 June 2023;
  - b) Statement of profit or loss and other comprehensive income for the year ended 30 June 2023;
  - c) Statement of changes in equity for the year ended 30 June 2023;
  - d) Statement of cash flows for the year ended 30 June 2023;
  - e) Notes, comprising a summary of significant accounting policies and explanatory information.
- The audit work of the company jointly performed by the Basu Banerjee Nath & Co., Chartered Accountants and MRH Dey & CO., Chartered Accountants.

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### 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 ACT, 2023
- b) The Income Tax Rules, 2023
- c) The Value Added Tax & SD Act, 2012
- d) The Value Added Tax & SD Rules, 2016
- e) The Customs Act, 1969
- f) The Labour Act 2006 (as amended in 2013)
- g) The Securities and Exchange Ordinance, 1969
- h) The Securities and Exchange Rules, 1987
- i) Securities and Exchange Commission Act, 1993

### 2.04 Basis of Measurement

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

### 2.05 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.

### 2.06 Reporting Period

The financial statements of the company covers one year from July 01, 2022 to June 30, 2023 which is followed consistently.

### 2.07 Applicable Accounting Standards

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

- IAS - 1 Presentation of Financial Statements
- IAS - 2 Inventories
- IAS - 7 Statement of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 10 Events after the reporting period
- IAS - 12 Income Taxes
- IAS - 16 Property, Plant and Equipment
- IAS - 19 Employee Benefits
- IAS - 24 Related Party Disclosures
- IAS - 33 Earnings Per Share
- IAS - 36 Impairment of Assets
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS - 39 Financial Instruments: Recognition and Measurement
- IFRS - 7 Financial Instruments: Disclosures
- IFRS - 9 Financial Instruments
- IFRS - 13 Fair Value Measurement
- IFRS - 15 Revenue from Contracts with customers

### 2.08 Functional and presentation currency

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

::09::



## 2.09 Cash Flows Statement

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

## 2.10 Use of Estimates and Judgements

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

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

Note: 4	Property, Plant and Equipment
Note: 5	Inventories
Note: 7	Accounts Receivable
Note: 17	Deferred Tax Liability
Note: 19	Accounts Payable
Note: 21	Provision For Taxation

## 2.11 Preparation and Presentation of Financial Statements of the Company

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

## 2.12 Comparative Information

Comparative information has been presented in respect to the year ended on 30 June 2022 in accordance with IAS- 1 "Presentation of Financial Statements" for all numeric information in the financial statements. It has been rearranged for better representation of the FSs.

## 3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

- 3.01 Consistency
- 3.02 Property, Plant and Equipment
- 3.03 Capital Work in Progress
- 3.04 Inventories
- 3.05 Financial Instruments



- 3.06 Impairment
- 3.07 Employee Benefits
- 3.08 Taxation
- 3.09 Provisions and Contingencies
- 3.10 Revenue Recognition
- 3.11 Earnings Per Share (EPS)
- 3.12 Changes in Accounting Policy
- 3.13 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 2023 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2022.

### 3.02 Property, Plant and Equipment

#### i) Recognition and Measurement

Property, plant and equipment are accounted for according to IAS 16 "Property, Plant and Equipment" at historical cost less 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) Borrowing Costs

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

#### iii) Subsequent Costs and Maintenance Activities

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

#### iv) Depreciation

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

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised.



The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

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

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

<u>Category of Assets</u>	<u>Rate of Depreciation</u>
Building (General & Factory)	2.50%
Refining Plant and Service Plant	5.00%
Vehicles	20.00%
Furniture & Equipment	10.00%

Depreciation on additions made during the first half and the second half of the year is calculated at 100% and 50% respectively of the annual applicable rates.

#### iv) Impairment of Assets

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

#### v) 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.

#### 3.13 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.

#### 3.14 Inventories

##### Nature of Inventories

Inventories comprise of raw material & stores spares.

##### Valuation of the Inventories

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

#### 3.15 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.

#### 3.16 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 uncollectability of any amount so recognized.

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

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

#### b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

#### c) Cash and Cash Equivalents

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

### 3.15.02 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 derecognizes 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.



::13::



**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 Employee Benefits**

**3.07.01 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.

**3.07.02 Post employment benefits**

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

**i) Defined Contribution Plan**

The Company has established a recognized contributory provident fund scheme. The fund is wholly administered by a Board of trustees.

**ii) Defined Benefit Plan**

**a) Pension and Gratuity**

The Company has a funded gratuity scheme under the order of National Board of Revenue (NBR) by letter no: 08.01.0000.035.02.004.2014/202 dated: 24/06/2014 which an employee is entitled to the benefits depending on the length of service. Liability for employee gratuity payable represents provision for gratuity for permanent employees up to 30 June 2023.

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

Provision for workers' profit participation and welfare fund has been made in the financial statements @ 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).

::14::



### 3.08 Taxation

#### i) Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

#### ii) Deferred Tax

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

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

### 3.09 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.

### 3.10 Revenue Recognition

The company applied International Financial Reporting Standards (IFRS)-15: Revenue from Contract with Customer".

The core principal of IFRS-15 is that an entity will recognise revenue to depict the render of promised services to its customers in an amount that reflects the consideration to which the entity expect to be entitled in exchange for those services. This core principal is delivered in a five steps model framework:

1. Identify the Contract with customer
2. Identify the performance obligation in the contract
3. Determine the transaction Price
4. Allocate the transaction price to performance obligation in the contract
5. Recognise the Revenue when (or as) the entity satisfies a performance obligation.

Revenue from processing charges on refining crude oil is recognised when the entity satisfy a performance obligation by processing the finished oil to its principal at an agreed transaction price.

### 3.11 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income of EPS is stated **note 28** of the financial statements.

### Basis of Earnings

This represents profit for the year attributable to ordinary shareholders. As there are no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.



**3.11.02 Basic Earnings Per Share**

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

**3.12 Changes in Accounting Policy**

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

**3.13 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.



Annexure-1

Property, Plant and Equipment - at Cost less Depreciation.

Particulars	COST			Rate of Depreciation (%)	DEPRECIATION			Written Down Value (WDV) at 30 June 2023
	Balance as on 01 July, 2022	Addition during the year	Deletion during the year		Balance as on 01 July, 2022	Charged during the year	Deletion during the year	
Freehold Land	135.04	-	-	0%	-	-	-	135.04
Building	2,320.23	40.01	-	2.5%	1,464.13	43.27	1,507.40	852.84
Refining Plant	3,662.64	-	-	5%	3,177.17	71.96	3,249.13	413.51
Service Plant	27,913.78	512.17	-	5%	20,033.01	581.54	20,614.55	7,811.40
Vehicle	714.88	2.58	-	20%	581.19	42.53	623.72	93.74
Furniture & Equipment	1,084.67	111.30	38.60	10%	782.29	70.70	819.18	338.19
Secondary Conversion Plant	35,952.39	-	-		35,952.38	-	35,952.38	0.01
<b>Balance as at 30 June 2023</b>	<b>71,783.63</b>	<b>666.06</b>	<b>38.60</b>		<b>61,990.17</b>	<b>810.00</b>	<b>62,766.36</b>	<b>9,644.73</b>
<b>Balance as at 30 June 2022</b>	<b>71,032.61</b>	<b>773.06</b>	<b>22.04</b>		<b>61,215.61</b>	<b>793.07</b>	<b>61,990.17</b>	<b>9,793.46</b>

Note: Total area of the land under the possession of ERL (including ERL Housing Estate) is 202.24 acres.



::17::

Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022

**4.00 Property, Plant & Equipment**

<b>Cost :</b>		
Opening Balance	71,783.63	71,032.61
Add: Addition During the year	666.06	773.06
	<u>72,449.69</u>	<u>71,805.67</u>
Less: Disposal During the year	38.60	22.04
<b>Total (A)</b>	<b>72,411.09</b>	<b>71,783.63</b>
<b>Accumulated Depreciation</b>		
Opening Balance	61,990.17	61,215.61
Add: Charged During the year	810.00	793.07
	<u>62,800.17</u>	<u>62,008.68</u>
Less: Adjustment (Disposal)	33.81	18.51
<b>Total (B)</b>	<b>62,766.36</b>	<b>61,990.17</b>
<b>Written Down Value (A-B)</b>	<b>9,644.73</b>	<b>9,793.46</b>

A schedule of property, plant & equipment has been given in Annexure-1

**4.01 Addition to property, plant and equipment**

<b>Building</b>		
Factory Building	9.08	16.84
Laboratory Building	-	4.08
Office	-	5.90
Patenga H/Estate	5.21	5.68
Canteen	4.76	14.93
Boundary Wall, Roads & Drains	20.96	23.10
	<u>40.01</u>	<u>70.53</u>
<b>Service Plant</b>		
Inspection Equipment	124.26	35.71
Laboratory Equipment	-	78.00
Finished Product - Storage Tank	-	7.46
Electrical Power Supply Distribution Equipment	120.14	37.27
Fire Equipment	-	70.44
Workshop Equipment	106.94	189.68
Instrument Equipment	155.63	104.07
LPG Spherical Tank	-	1.00
CDP	5.20	-
	<u>512.17</u>	<u>523.63</u>
<b>Vehicle &amp; Mechanical Plant</b>		
Saloon Car	-	45.00
Bicycle	2.58	-
Microbus / Pick-up-van	-	46.85
	<u>2.58</u>	<u>91.85</u>
<b>Furniture &amp; Equipment</b>		
Office Furniture	16.85	8.07
Office Equipment	41.10	39.86
Domestic, HE Furniture	48.36	34.82
Domestic, HE Equipment	4.99	4.30
	<u>111.30</u>	<u>87.04</u>
	<u>666.06</u>	<u>773.06</u>
<b>4.02 Allocation of Depreciation Expense</b>		
Processing Expenses	679.92	657.08
Administrative Expenses	130.08	135.99
	<u>810.00</u>	<u>793.07</u>



Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022

Allocation of depreciation expense has been calculated on the basis of segregation of Processing related Plant & Building's depreciation expenses and Administration related Building's depreciation expenses.

<b>5.00 Inventories</b>			
Spares and Other Consumables	5.01	9,980.38	8,802.89
Other Chemicals	5.02	201.20	149.58
Diesel and Octane - for ERL Transport	5.03	11.62	4.48
Stores-in-Transit	5.04	960.99	456.38
Stores-in-Transit for regeneration catalysts	5.05	64.04	24.61
		<b>11,218.23</b>	<b>9,437.94</b>
<b>5.01 Spares and Other Consumables</b>			
Opening Balance		8,802.89	7,951.61
Add: Purchased during the year		2,368.13	2,107.17
		<b>11,171.02</b>	<b>10,058.79</b>
Less: Consumption during the year		1,190.64	1,255.89
Closing Balance		<b>9,980.38</b>	<b>8,802.89</b>
<b>5.02 Other Chemicals</b>			
Opening Balance		149.58	159.68
Add: Purchased during the year		596.29	344.60
		<b>745.87</b>	<b>504.28</b>
Less: Consumption during the year		544.67	354.70
Closing Balance		<b>201.20</b>	<b>149.58</b>
<b>5.03 Diesel and Octane - for ERL Transport</b>			
Opening Balance		4.48	9.41
Add: Purchased during the year		50.35	29.96
		<b>54.83</b>	<b>39.37</b>
Less: Consumption during the year		43.21	34.88
Closing Balance		<b>11.62</b>	<b>4.48</b>
<b>5.04 Stores-in-Transit</b>			
Opening Balance		456.38	587.61
Add: Purchased during the year		3,141.43	2,032.02
		<b>3,597.81</b>	<b>2,619.63</b>
Less: Transferred during the year		2,636.82	2,163.25
Closing Balance		<b>960.99</b>	<b>456.38</b>
<b>5.05 Stores-in-Transit for regeneration catalysts</b>			
Opening Balance		24.61	19.74
Add: Purchased during the year		39.43	4.87
		<b>64.04</b>	<b>24.61</b>
Less: Consumption during the year		-	-
Closing Balance		<b>64.04</b>	<b>24.61</b>
<b>6.00 Short Term Investment in Fixed Deposit</b>			
Pubali Bank Limited, Hadipara Branch	Rate of Interest	6.50%	1,310.23
Basic Bank Limited, Khatungonj Branch		6.70%	1,163.98
AB Bank Limited, EPZ Branch		7.50%	113.61
Exim Bank Limited, Agrabad Branch		-	49.00
Janata Bank Limited, Patenga Branch		6.70%	1,248.58
Exim Bank limited, CDA Avenue BR		8.00%	51.16
Eastern Bank Limited, Santinagar Branch, Dhaka		6.50%	300.00
Trust Bank, Jublee Road Branch		7.00%	137.60
			<b>4,325.16</b>
			<b>4,856.16</b>



Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022
<b>7.00 Accounts Receivable</b>		
Interest Receivable on FDR	7.01 203.13	170.29
Berth Hire Income - Chattogram Port Authority(CPA)	7.02 295.02	273.19
Laboratory Testing Fees	7.03 132.78	110.64
Other Receivables	7.04 507.46	411.25
	<b>1,138.39</b>	<b>965.37</b>
<b>7.01 Interest Receivable on FDR</b>		
Opening Balance	170.29	167.71
Add: Interest accrued during the year	203.14	170.29
	<b>373.43</b>	<b>338.00</b>
Less: Interest received during the year	170.30	167.71
Closing Balance	<b>203.13</b>	<b>170.29</b>
<b>7.02 Berth Hire Income - Chattogram Port Authority (CPA)</b>		
Opening Balance	273.19	389.30
Add: Receivable form CPA during the year	111.39	126.93
	<b>384.58</b>	<b>516.23</b>
Less: Realize during the year	89.56	243.04
Closing Balance	<b>295.02</b>	<b>273.19</b>
<b>7.03 Laboratory Testing Fees</b>		
Padma Oil Company Limited	7.03.01 34.55	23.02
Jamuna Oil Company Limited	7.03.02 8.10	8.80
Meghna Petroleum Limited	7.03.03 27.70	19.80
Others	7.03.04 62.43	59.02
	<b>132.78</b>	<b>110.64</b>
<b>7.03.01 Padma Oil Company Limited</b>		
Opening Balance	23.02	20.24
Add: Billed During the year	19.14	13.33
	<b>42.16</b>	<b>33.55</b>
Less: Realized during the year	7.61	10.55
Closing Balance	<b>34.55</b>	<b>23.02</b>
<b>7.03.02 Jamuna Oil Company Limited</b>		
Opening Balance	8.80	8.80
Add: Billed During the year		1.61
	<b>8.80</b>	<b>10.41</b>
Less: Realized during the year	0.70	1.61
Closing Balance	<b>8.10</b>	<b>8.80</b>
<b>7.03.03 Meghna Petroleum Limited</b>		
Opening Balance	19.80	15.59
Add: Billed During the year	20.52	19.23
	<b>40.32</b>	<b>34.82</b>
Less: Realized during the year	12.62	15.02
Closing Balance	<b>27.70</b>	<b>19.80</b>
<b>7.03.04 Others</b>		
Opening Balance	59.02	49.31
Add: Billed During the year	24.54	35.82
	<b>83.56</b>	<b>85.13</b>
Less: Realized during the year	21.13	26.11
Closing Balance	<b>62.43</b>	<b>59.02</b>



Note(s)	Taka (In Lakh)		
	30.06.2023	30.06.2022	
<b>7.04 Other Receivables</b>			
Fuel Consumption under Car Scheme	0.61	0.63	
ERL Model High School	8.70	5.12	
DOJ Rental Receivable from MJL	3.60	7.20	
Jetty Throughput Charge Receivable	388.68	392.60	
LP Gas against House Rent, Dhaka Liasion Office	5.70	5.70	
Receivable from BPC Against " Recruitment of SPM project"	100.17	-	
	<b>507.46</b>	<b>411.25</b>	
<b>8.00 Current A/C with BPC</b>			
BPC C/A	8.01	13,061.91	12,877.38
Current Accounts With BPC (Various Project, Assets & Other)	8.02	86.24	155.19
	<b>13,148.15</b>	<b>13,032.57</b>	
<b>8.01 BPC C/A</b>			
<b>Opening Balance</b>	12,877.38	6,276.05	
Add: Processing Fees Receivables	20,504.18	19,577.05	
Product Improvement Re-imbusement	468.32	2,073.36	
Processing Fee on RCO	1,755.89	1,504.77	
Crude Oil Handling Commission	95.42	89.36	
Export Handling Commission	87.07	80.96	
Re-Imbursement of Utilities Cost	2,663.05	40.63	
Processing Fee on SCP	3,172.82	3,401.55	
Bituminous Crude Oil Handling Commission	-	6.78	
Expenses incurred on behalf of BPC	815.53	546.23	
	<b>29,562.28</b>	<b>27,320.69</b>	
Sub-Total	<b>42,439.66</b>	<b>33,596.74</b>	
Less: Processing Fee Received on Ad Hoc Basis	28,069.48	20,000.00	
BPC's Management Fee	7.00	7.00	
Used BPC's Fuel (FO)	1,220.50	593.09	
Sales of Sludge	80.77	119.27	
Sub-Total	<b>29,377.75</b>	<b>20,719.36</b>	
<b>Closing Balance</b>	<b>13,061.91</b>	<b>12,877.38</b>	
<b>8.02 Current Accounts With BPC (Various Project, Assets &amp; Other)</b>			
SPM with Double Pipe Line	22.30	71.53	
Pro-Boiler	59.96	59.92	
Storage Tank Repair & Maintanace (MS Plate)	-	20.68	
Hot Rolled Steel Sheet	0.97	2.79	
Motor Control Panel ABP	0.99	-	
Motor Control Panel Tank Farm	1.15	-	
Rep. of generation Bus	0.36	-	
Modernizaion & Expansion of API	0.51	-	
Two Spare Motors	-	0.27	
	<b>86.24</b>	<b>155.19</b>	
<b>9.00 Loans &amp; Advances</b>			
House Building Loan to Employees	9.01	558.20	393.23
Vehicles Loan to Employees	9.02	90.01	67.96
Advance for Purchases	9.03	284.71	295.03
Advance to Employees	9.04	1,483.87	1,450.86
Advance to Others	9.05	225.51	173.02
Advance Payment of Income Tax	9.06	3,277.14	3,714.86
Advance Payment of Employees Tax		27.37	-
Advance against Tax deduction from supperliers		0.06	-
	<b>5,946.87</b>	<b>6,094.96</b>	



Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022
<b>9.01 House Building Loan to Employees</b>		
Opening Balance	393.23	345.13
Add: Loan paid during the year	242.18	124.68
Add: Interest accrued during the year	15.33	13.36
	<b>650.74</b>	<b>483.17</b>
Less: Realized during the year	92.54	89.94
Closing Balance	<b>558.20</b>	<b>393.23</b>
<b>9.02 Vehicles Loan to Employees</b>		
Opening Balance	67.96	71.08
Add: Disbursed during the year	45.50	22.47
Add: Interest accrued during the year	3.71	3.40
	<b>117.17</b>	<b>96.95</b>
Less: Realized during the year	27.16	28.99
Closing Balance	<b>90.01</b>	<b>67.96</b>
<b>9.03 Advance for Purchases</b>		
Opening Balance	295.03	259.16
Add: Advance during the year	515.48	487.46
	<b>810.51</b>	<b>746.62</b>
Less: Adjusted during the year	525.80	451.59
Closing Balance	<b>284.71</b>	<b>295.03</b>
<b>9.04 Advance to Employees</b>		
Opening Balance	1,450.86	948.01
Add: Disbursed during the year	1,224.91	1,082.63
	<b>2,675.77</b>	<b>2,030.64</b>
Less: Realized during the year	1,191.90	579.78
Closing Balance	<b>1,483.87</b>	<b>1,450.86</b>
<b>9.05 Advance to Others</b>		
Opening Balance	173.02	106.32
Add: Disbursed during the year	69.51	78.46
	<b>242.53</b>	<b>184.78</b>
Less: Realized during the year	17.02	11.76
Closing Balance	<b>225.51</b>	<b>173.02</b>
<b>9.06 Advance Payment of Income Tax</b>		
Opening Balance	3,714.86	3,973.81
Add: Paid during the year	953.28	681.62
	<b>4,668.14</b>	<b>4,655.43</b>
Less: Adjustment made during the year	1,391.00	940.57
Closing Balance	<b>3,277.14</b>	<b>3,714.86</b>

Break up of advance payment of income tax

Income Year	Assessment Year	Advance Amount	Adjustment	Balance Amount	Balance Amount
1971-72	1972-73				
to	to	767.12	-	767.12	767.12
1988-89	1989-90				
1992-93	1993-94	56.00	-	56.00	56.00
1993-94	1994-95	58.05	-	58.05	58.05
1994-95	1995-96	61.32	-	61.32	61.32
1995-96	1996-97	39.26	-	39.26	39.26
1996-97	1997-98	44.50	-	44.50	44.50
1997-98	1998-99	50.85	-	50.85	50.85

::22::



	Note(s)	Taka (In Lakh)	
		30.06.2023	30.06.2022
1998-99	1999-00	58.80	58.80
1999-00	2000-01	31.67	31.67
2000-01	2001-02	37.40	37.40
2001-02	2002-03	0.14	0.14
2002-03	2003-04	3.01	3.01
2003-04	2004-05	31.10	31.10
2006-07	2007-08	46.72	46.72
2013-14	2014-15	-0.36	(0.36)
2014-15	2015-16	153.39	153.39
2015-16	2016-17	258.23	258.23
2016-17	2017-18	154.71	154.71
2017-18	2018-19	480.59	480.59
2018-19	2019-20	536.16	536.16
2019-20	2020-21	452.06	452.06
2020-21	2021-22	(287.48)	(287.48)
2021-22	2022-23	681.62	681.62
2022-23	2023-24	953.28	953.28
<b>Total</b>		<b>4,668.14</b>	<b>3,714.86</b>
		<b>1,391.00</b>	<b>3,277.14</b>
<b>10.00 Deposits &amp; Prepayments</b>			
Pre-paid Insurance Premium	10.01	-	124.62
Deposit for Customs and Excise Duty		1.86	1.40
Other Misc. Deposit		20.65	24.20
Other Misc. Prepayments		60.54	61.56
		<b>83.05</b>	<b>211.78</b>
<b>10.01 Pre-paid Insurance Premium</b>			
Pre-paid Insurance - SBC		-	4.62
Pre-paid Insurance - JBC		-	120.00
		<b>-</b>	<b>124.62</b>
<b>11.00 Cash &amp; Cash Equivalents</b>			
Cash in Hand		0.73	0.46
<b>Cash at Banks</b>			
Pubali Bank Limited, Hadipara Branch,A/C.No-1995-00012		536.07	29.19
Basic Bank Limited, Khatungonj Branch,A/C.No-0416-00021		105.63	12.12
Agrani Bank Limited, Laldighi East Branch,A/C.No-813226		0	0.00
Sonali Bank Limited, Agrabad Corporate Branch,A/C.No-3600--0162		22,983.76	41.88
AB Bank Limited, CEPZ Branch,A/C.No-4105-22430		0.04	0.04
Janata Bank Limited, Patenga Road Branch,A/C.No-0135-00156		195.00	4.18
Prime Bank Limited, Laldighi East Branch,A/C.No-1453-14801		0.28	0.29
Trust Bank Limited, Naval Base Branch,A/C.No-0029-00125		-	0.01
Islami Bank Bangladesh Limited, Agrabad Branch,A/C.No-2050-7410		15.42	15.59
Bank Asia Limited, CEPZ Branch,A/C.No-0273-00023		0.29	0.29
Agrani Bank Limited, Laldighi East Branch,A/C.No-813352		0.13	0.17
UCBL, Port Branch ,A/C. NO.		0.00	-
Bank Guarantee, Agrani Bank Limited, Laldighi East Branch		0.24	0.24
		<b>23,836.86</b>	<b>104.00</b>
		<b>23,837.59</b>	<b>104.46</b>
<b>12.00 Share Capital</b>			
<b>12.01 Authorised Share Capital</b>			
500 lakh Ordinary Shares of Tk. 100.00 each		<b>50,000.00</b>	<b>50,000.00</b>



Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022

**12.02 Issued, Subscribed and Paid up Capital**

33 lakh Ordinary Shares of Tk. 100.00 each fully paid up 3,300.00 3,300.00  
As number of shareholdings, The Corporation (BPC) holds 3,299,994 shares and rest of the 6 shares hold by 5 Individual Shareholder.

Details of shareholding are as under:

**Name of the Shareholders:**

Mr. A B M Azad NDC  
Mr. Khaled Ahmed  
Mr. Md. Lal Hossain  
Mr. Muhammad Ashraf Hossain  
Mr. Mustafa Qudrat - I - Elahi  
Mr. ATM Selim  
Bangladesh Petroleum Corporation

No. of Share	No. of Share
1	1
1	1
0	2
2	0
1	1
1	1
3,299,994	3,299,994
<b>3,300,000</b>	<b>3,300,000</b>

**13.00 Capital Reserve**

Opening Balance 5,439.87 5,286.68  
Add: Interest on FDR ( Net Off Tax ) 155.85 153.19  
Closing Balance 5,595.72 5,439.87

**14.00 Revenue Reserve**

Opening Balance 11,348.92 9,848.92  
Add: Transferred during the year 1,500.00 1,500.00  
Closing Balance 12,848.92 11,348.92

**15.00 Long Term Loan**

Govt. ADP Loan 15.01 614.52 614.52  
IDA Credit 15.02 21.06 21.06  
635.58 635.58

**15.01 Govt. ADP Loan**

	F.C.	L.C.		
Naphtha Storage Tank (NST)	376.61	-	376.61	376.61
Crude Reception Line from Oil Mooring-5 to ERL Tank Farm	87.23	-	87.23	87.23
Off Shore Oil Terminal	7.29	-	7.29	7.29
LPG Recovery Plant	38.00	-	38.00	38.00
ERL Rehabilitation Project	-	20.22	20.22	20.22
ERL Modification Project	-	85.17	85.17	85.17
	<u>509.13</u>	<u>105.39</u>	<u>614.52</u>	<u>614.52</u>

The terms of re-payment of the foreign currency loans of NST & Crude Reception Line ERL OM-5, Off Shore Terminal have not yet been ascertained. It is revealed from the BPC's letter at 28.09.2022, that, if the project started before 2004-2005 may be repaid the said loan amount to BPC in one time. If the project started after 2004-2005 then fund release order, loan amount, grace period and loan repayment schedule to be prepared and submitted to the BPC with full documents.

**15.02 IDA Credit**

Credit 1124-BD: Inspection of ERL Plant 21.06 21.06

The terms of agreement about repayment have not yet been ascertained by BPC.



Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022

**16.00 Retirement Benefits to Employees' (Gratuity)**

Opening Balance	5,359.19	5,405.20
Add: Provision during the year	1,100.00	1,100.00
	<u>6,459.19</u>	<u>6,505.20</u>
Less: Paid during the year	1705.73	1,146.01
Closing Balance	<u>4,753.46</u>	<u>5,359.19</u>

**17.00 Deferred Tax Liability**

Opening Balance	1,322.41	1,354.65
Deferred Tax (Income)/Expenses for the year	(66.68)	(32.24)
Closing Balance	<u>1,255.72</u>	<u>1,322.41</u>

This represents provision made for deferred income tax to pay future income tax liability for temporary differences between carrying and tax base amount of fixed assets.

Carrying Amount of Fixed Assets	9,644.73	9,793.45
Tax Base of Fixed Assets	5,078.47	4,984.72
Net Taxable Temporary Differences	<u>4,566.26</u>	<u>4,808.73</u>
Deferred Tax Liability on effective tax rate (27.5%)	<u>1,255.72</u>	<u>1,322.41</u>

**18.00 Current Accounts with BPC (Various Projects, Assets & Others)**

ERL Unit - 2	1,016.31	1,929.64
CRS Coil & Others	125.77	125.77
Storage Tank Repair & Maintenance( MS Plat)	55.09	-
Custody Transfer Flow Meter with Supervisory control	609.45	12.39
Complete centrifugal pump	1.08	1.08
Cooling tower	348.37	371.39
JFTOT	17.30	17.30
Aerocondenser	92.84	92.84
Fire Fighting Vehicle	3.49	3.49
Replacement of PDB Bus including Switch gears, ERL	1.13	1.13
Auto Tank Ganging System	139.34	1.71
Two Spare Motors	11.51	-
Fire & Gas detecting System at ERL	6.48	-
HSD ( imported through SPM) Flow merer with pipeline at ERL	39.28	-
	<u>2,467.43</u>	<u>2,556.74</u>

**19.00 Accounts Payable**

Workers Profit Participation Fund	27.00	257.20	339.84
Salaries & Wages Payable	19.01	1,259.17	2,061.96
Land Tax		5.93	6.16
Earnest & Security Money	19.02	87.50	98.20
Various Suppliers Payable	19.03	1,415.76	919.87
Other Payables	19.04	23,407.67	510.84
Advance Payment for Employees TAX		-	3.12
		<u>26,433.23</u>	<u>3,939.99</u>

**19.01 Salaries & Wages Payable**

Opening Balance	2,061.96	1,725.76
Add: Provision during the Year	6,075.23	4,936.37
	<u>8,137.19</u>	<u>6,662.13</u>
Less: Adjusted / Paid during the year	6,878.02	4,600.17
Closing Balance	<u>1,259.17</u>	<u>2,061.96</u>



Note(s)	Taka (In Lakh)	
	30.06.2023	30.06.2022
<b>19.02 Earnest &amp; Security Money</b>		
Opening Balance	98.20	92.52
Add: Received during the Year	24.27	38.40
	<b>122.47</b>	<b>130.92</b>
Less: Adjusted/paid during the year	34.97	32.72
Closing Balance	<b>87.50</b>	<b>98.20</b>
<b>19.03 Various Suppliers Payable</b>		
Accounts Payable	589.72	567.18
Karnaphuli Gas System Ltd.	825.99	350.92
Tax Payable - Deducted from Suppliers' Bill	-	0.64
VAT Deducted from Contractors' Bill	0.05	1.13
	<b>1,415.76</b>	<b>919.87</b>
<b>19.04 Other Payables</b>		
Audit Fees Payable	4.38	2.42
Legal fee payable	0.45	0.90
Benevolent Fund	40.16	47.53
Insurance Claim	0.07	0.04
VAT Payable against Lab Testing Fee	5.73	3.13
VAT Payable against DOJ Jetty Rental Fee	-	36.46
Payable to Employee - AIT for Vehicles	8.59	9.41
HSD(imported through SPM) Pipe line from ERL to POCL,JOCL,MPL including mov & ATG systems.	53.48	-
Surcharge-deducted from Advertisement Bill	0.30	0.14
Deposit for CD&VAT on finished product-A/C BPC	410.82	410.82
Customs Duty On Crude Oil A/C BPC	22,883.68	-
	<b>23,407.67</b>	<b>510.84</b>
<b>20.00 Dividend Payable</b>		
Opening Balance	-	412.50
Add: Provision made during the year	-	-
	-	<b>412.50</b>
Less: Paid During the year	-	412.50
Closing Balance	-	-
<b>21.00 Provision for Taxation</b>		
Opening Balance	4,844.89	4,085.35
Add: Provision made during the year	21.01 1,419.87	1,700.11
	<b>6,264.76</b>	<b>5,785.46</b>
Less: Adjustment made during the year	21.01 1,893.48	940.57
Closing Balance	<b>4,371.28</b>	<b>4,844.89</b>

**21.01 Break up of provision for taxation**

Income Year	Assessment Year	Provision amount	Adjustment	Amount (Tk.)	Amount (Tk.)
1971-72	1972-73				
to	to	983.71	-	983.71	983.71
1979-80	1980-81				
2009-10	2010-11	202.58	202.58	-	202.58
2010-11	2011-12	299.90	299.90	-	299.90
2011-12	2012-13	299.04	-	299.04	299.04

::26::



	Note(s)	Taka (In Lakh)			
		30.06.2023	30.06.2022		
2012-13	2013-14	321.07	-	321.07	321.07
2013-14	2014-15	29.62	-	29.62	29.62
2014-15	2015-16	265.25	-	265.25	265.25
2015-16	2016-17	119.41	-	119.41	119.41
2016-17	2017-18	171.26	-	171.26	171.26
2017-18	2018-19	75.72	-	75.72	75.72
2019-20	2020-21	63.69	-	63.69	63.69
2020-21	2021-22	313.53	-	313.53	313.53
2021-22	2022-23	1,700.11	1,391.00	309.11	1,700.11
2022-2023	2023-2024	1,419.87	-	1,419.87	-
		<b>6,264.76</b>	<b>1,893.48</b>	<b>4,371.28</b>	<b>4,844.89</b>

**21.02** Tax assessment for the Assessment years from 1972-73 to 1980-81 (Corresponding Accounting Year 1971-72 to 1979-80) were under appeal in the High Court Division of the Honorable Supreme Court against the Judgment of the Income Tax Appellate Tribunal. The tax liability that may arise out as per Judgment of the Honorable Supreme Court is in favour of Income Tax Authority is well covered by provisions so far made by the Company.

**21.03** Ascertainment of income for the Accounting year 2022-2023 (Corresponding the Assessment year 2023-2024) reveals an estimated taxable profit Tk. 5163.15 Lakh. Provision has been made Tk. 1419.87 Lakh as Tax for the current year i.e. accounting year 2022-2023 @ 27.50% on taxable profit of Tk. 5163.15 Lakh. An amount of Tk. 953.28 Lakh has been paid during the year as Advance Income tax, FDR interest, Advance Income Tax on Bank Interest on deposits under section 53F Tk. 109.67 Lakh, TDS against throughput charge & rental charge DOJ Tk. 3.07 Lakh, Laboratory Testing fess under Section 52 & Rule 16 Tk. 1.73 Lakh, income tax deduct at source from processing fee by BPC under sec 52 & rule 16 Tk. 720.00 Lakh, AIT against Co's vehicles as per SRO Tk 4.70 Lakh, Tk 113.96 Lakh paid on Import Materials. TDS Pubali Bank Ltd. (Hadipara Br.) under Section 53A Tk. 0.15 Lakh. Excess Payment in the Financial Year 2021-22 of Tk. 1204.28 will be claimed for return/adjustment at the time of subsequent Income Tax Return.

**21.04** Submission of the return for the assessment year 2023-24 (Corresponding Accounting year 2022-23) is under process and to be submitted accordingly.

**22.00 REVENUE**

Processing Fees on CDU	22.01	20,326.37	19,411.89
Processing Fee on SCP	22.02	3,172.82	3,401.55
Processing Fee on RCO	22.03	1,755.89	1,504.77
Product Improvement Re-Imbursement	22.04	468.32	2,073.36
Export Handling Commission	22.05	87.08	80.96
Crude Oil Handling Commission	22.06	95.42	89.36
Bituminous Handling Commissions		-	6.78
Income Against Increase of Utility cost		2,663.05	-
		<b>28,568.95</b>	<b>26,568.67</b>



::27::



Notes	Taka In Lakh	
	30.06.2023	30.06.2022

**22.01 Processing Fees on CDU**

Crude oil Processed 10,789,834 BBLs @ TK. 190.00 per BBL	20,500.68	19,578.38
Less: Service Charge 1,743,110,000Ltrs. @ Tk.0.01 per Ltr	174.31	166.49
	<u>20,326.37</u>	<u>19,411.89</u>

Details has been shown under:

Particular	Quantity		Unit Tk		Amount (Tk.)	Amount (Tk.)
	BBL	KLs	BBL	KLs		
	A	B	C	D		
Crude Oil Processed (A*C)	10,789,834	1,743,110	190.00	1,176.10	20,500.68	19,578.38
Less: Service Charge (B*D)	10,789,834	1,743,110	1.62	10.00	174.31	166.49
<b>Net Processing Fee</b>					<u>20,326.37</u>	<u>19,411.89</u>

Service Charge of Tk. 0.01 per Liter as per agreement with BPC is converted to Tk. 10 per Kilo Liter as per request from BPC.

Mid Distillate Product 809,622.148 kilo. Liters/5,092,361 BBL are included in total processing quantity 1,743,110 Kilo Liters /10,789,834 BBL.

**22.02 Processing Fee on SCP**

SCP Processed 2,350,240 BBLs @ Tk.135 per BBL	<u>3,172.82</u>	<u>3,401.55</u>
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**22.03 Processing Fee on RCO**

RCO Processed 9,54,290 BBLs @ Tk. 184.00 per BBL	<u>1,755.89</u>	<u>1,504.77</u>
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**22.04 Product Improvement Re-Imbursement**

This represents 25% of the value of excess products actually delivered over that of the deemed yield of the products as per the agreement at the average rate of Singapore FOB Spot Price published in the last issue of Platt's Oil gram Price Report of each of the twelve months of the year.

**22.05 Export Handling Commission**

Export Handling quantity was 1,08,839.477 MTs @ Tk. 80 per MT	<u>87.08</u>	<u>80.96</u>
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**22.06 Crude Oil Handling Commission**

Crude Oil Handled 11,014,684 BBLs	<u>95.42</u>	<u>89.36</u>
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Break up of Crude Oil Handling Commission:

Quantity (BBLs)	Handling Loss (%)	Commission Rate (Tk.)	Taka
721,877	<0.29%	0.75	541,408
1,447,216.00	<0.19%	1.00	1,447,216
1,452,302.00	<0.18%	1.00	1,452,302
1,500,476	<0.28%	0.75	1,125,357
719,660	<0.26%	0.75	539,745
728,776.00	<0.38%	0.50	364,388
732,396.00	<0.17%	1.00	732,396
746,136.00	<0.45%	0.50	373,068
2,965,845.00	<0.8%	1.00	2,965,845
<u>11,014,684</u>			<u>9,541,725</u>

Tk. 1 or Tk. 0.75 or Tk. 0.50 per BBL if crude oil transportation loss is below 0.2% or 0.3% or 0.5% respectively.



	Notes	Taka In Lakh	
		30.06.2023	30.06.2022
<b>23.00 PROCESSING EXPENSES</b>			
Salaries & Wages		4,827.90	5,132.27
Employees Other Expense		2,849.80	2,637.31
Chemical Consumed		680.95	369.64
Stores & Spares Consumed		1,003.36	927.98
Transport Expenses	23.01	529.09	519.91
Fuel & Power Expenses	23.02	1,262.78	614.74
Karnafully Gas		5514.44	2,865.51
Insurance		255.76	258.48
Crude Oil Handling Expenses		11.03	9.95
Repair & Maintenance		1,087.74	868.32
Shutdown Expenses		403.16	597.73
Depreciation	4.02	679.92	657.08
Rm-7		90.28	22.31
Technical Assistance		34.42	3.22
Others		6.09	5.63
		<u>19,236.72</u>	<u>15,490.08</u>
<b>23.01 Transport Expenses</b>			
Own		66.07	71.29
Hired-- Conveyence included		463.02	448.62
		<u>529.09</u>	<u>519.91</u>
<b>23.02 Fuel &amp; Power Expenses</b>			
Power		12.90	15.69
Water Charge		29.38	5.96
Consumption of BPC's Fuel (FO+LDO)		1220.50	593.09
		<u>1262.78</u>	<u>614.74</u>
<b>24.00 Administrative Expenses</b>			
Salaries & Wages		2,402.62	2,588.63
Employees Other Expense		1,432.97	1,306.68
Stores & Spares Consumed		76.97	33.18
Rent, Rates & Taxes		107.13	115.12
Repair & Maintenance		555.58	495.76
Insurance & Insurance staff welfare		239.77	242.78
Transport Expenses	24.01	264.55	259.95
Audit Fee	24.02	3.37	2.31
Legal & Professional Expenses		24.72	9.63
Travelling Expenses		44.27	25.14
Advertisement Exp. For Tender		69.17	52.33
Advertisement		4.75	1.99
Depreciation	4.02	130.08	135.99
BPC Overhead		7.00	7.00
Postage, Telegram, Telex, Fax		1.38	1.37
Telephones		19.90	17.12
Printing and Stationary		55.91	46.21
Others		113.29	79.18
		<u>5,553.43</u>	<u>5,420.37</u>
<b>24.01 Transport Expenses</b>			
Own		33.04	35.64
Hired		231.51	224.31
		<u>264.55</u>	<u>259.95</u>



Notes	Taka In Lakh	
	30.06.2023	30.06.2022
<b>24.02 Audit Fee</b>		
Eastern Refinery Ltd - Audit Fee	2.60	1.80
ERL PF Trust - Audit Fee	0.20	0.11
ERL WPP Fund - Audit Fee	0.09	0.09
ERL Gratuity Fund	0.31	0.31
Reconciliation Audit fee with BPC	0.17	
	<u>3.37</u>	<u>2.31</u>
<b>25.00 FINANCIAL EXPENSES</b>		
Bank Charge	0.48	0.34
Bank Excise Duty	4.33	5.06
Workers Profit Participation Fund (on national use of their money)	27.55	29.69
	<u>32.36</u>	<u>35.09</u>
<b>26.00 OTHER INCOME</b>		
Interest on Bank Deposit	586.90	343.30
Laboratory Testing Fees	173.33	151.03
Berth Hire Income	111.39	126.93
Income from Tender Sale	13.77	10.30
DOJ Rental Income	7.20	7.20
DOJ Throughput Income	203.86	351.79
Miscellaneous Income ( Note 26.01)	301.19	183.12
	<u>1,397.64</u>	<u>1,173.67</u>
<b>26.01 Miscellaneous Income</b>		
ERECOL	0.04	-
Rafiq Truck Driver	0.05	-
Ashora Associates	2.52	-
Scrap Sales	298.58	-
	<u>301.19</u>	<u>-</u>
<b>27.00 Contribution to W.P.P. Fund</b>		
Opening Balance	339.84	310.44
Interest Accrued on Use of WPPF Fund	-	-
Fund Available for Transfer	<u>339.84</u>	<u>310.44</u>
Fund Transferred to WPPF Trust	<u>339.84</u>	<u>310.44</u>
	-	-
Provision made during the year	257.20	339.84
Closing Balance	<u>257.20</u>	<u>339.84</u>
<b>28.00 Earnings Per Share (EPS)</b>		
Net Profit after Tax	3,533.69	4,789.09
Number of Ordinary Share	33.00	33.00
Earning per Share (Tk.)	<u>107.08</u>	<u>145.12</u>
<b>29.00 Adjustment Against Expenses &amp; Others (Prior Years)</b>		
An Amount of TK 53.89 lac (Net Off) Stand against payment made to various parties/adjustments which is prior years related.		
<b>30.00 Related Party Transactions</b>		

During the period the Company carried out a number of transactions with related parties in the normal course of bussiness. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

Name of the Party	Relation	Nature of Transaction s	Outstanding as on June 30, 2023	Outstanding as on June 30, 2022
Bangladesh Petroleum Corporation	Parent Concern	Multiple Business	13,061.91	12,877.38
Padma Oil Company Limited	Subsidiary of BPC	Product Testing	34.55	23.02
Jamuna Oil Company Limited	Subsidiary of BPC	Product Testing	8.10	8.80
Meghna Petroleum Limited	Subsidiary of BPC	Product Testing	27.70	19.80

::30::



Taka (In Lakh)	
2022-2023	2021 -2022

### 31.00 Key management personnel compensation

In accordance with para 17 of IAS 24 related party disclosure: during the year the amount of compensation paid to key management personnel including Board of Directors is as follows:

Short term employee benefits	7,230.52	7,720.90
Post employment benefits	1,705.73	1,146.01
	<u>8,936.25</u>	<u>8,866.90</u>

### 32.00 Directors' Remuneration

Details of directors' remuneration paid during the period are as follows:

Name	Designation		
A.B.M. Azad NDC	Chairman	1.30	1.13
A.K. Mohiuddin Ahamed	Director	-	0.63
Md. Aminul Islam	Director	0.75	0.50
S.M. Zakir Hossain	Director	1.00	1.00
Md. Musaraf Husain Molla	Director	0.55	-
Khalid Ahmed	Director	1.30	0.25
Syed Mehdi Hasan	Director	-	0.50
Mohammad Elius Hossain	Director	1.30	1.13
Shamim Ahammed	Director	1.15	1.13
Dr. Ismat Mahmuda	Director	0.15	-
Dilwoara Alo	Director	0.30	-
Md. Lokman	Director	1.30	1.13
		<u>9.10</u>	<u>7.40</u>

### 33.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2023, 10 (Ten) board meetings were held. The attendance status of all the meetings are as follows:

Name of Director	Designation	Meeting Held	Attendance
A B M Azad NDC	Chairman	10	10
Md. Aminul Islam	Director	10	06
S.M. Zakir Hossain	Director	10	08
Md. Musaraf Husain Molla	Director	10	04
Khalid Ahmed	Director	10	10
Mohammad Elius Hossain	Director	10	10
Shamim Ahammed	Director	10	09
Dr. Ismat Mahmuda	Director	10	01
Dilwoara Alo	Director	10	02
Md. Lokman	Director	10	10



::31::



34.00 Financial Analysis

With a view to analysis Solvency, Capital Structure & Profitability of the company the following ratio analysis have been worked out :

Particulars	IDEAL	2022-2023	Actual	2021 -2022	Actual
<b>Current Ratio:</b>					
<u>Current Assets</u> Current Liabilities	1.50:1.00	$\frac{59,697.44}{33,271.94} =$	1.79:1	$\frac{34,703.24}{11,341.62} =$	3.06:1
<b>Quick Ratio:</b>					
<u>Quick Assets/Liquidity Assets</u> Current Liabilities	1.00:1.00	$\frac{48,479.22}{33,271.94} =$	1.46:1	$\frac{25,265.29}{11,341.62} =$	2.23:1
<b>Proprietary Ratio:</b>					
<u>Shareholders Equity</u> Total Assets		$\frac{29,425.47}{69,342.17} =$	42.44%	$\frac{25,837.89}{44,496.70} =$	58.07%
<b>Debt Equity Ratio:</b>					
<u>Total Liabilities</u> Shareholders Equity	2.00-2.5	$\frac{39,916.70}{29,425.47} =$	1.36	$\frac{18,658.81}{25,837.89} =$	0.72
<b>Net Worth Per Share:</b>					
<u>Total Net Worth</u> Number of share Issued		$\frac{29,425.47}{33.00} =$	891.68	$\frac{25,837.89}{33.00} =$	782.97
<b>Gross profit Ratio:</b>					
<u>Gross profit</u> Total Revenue		$\frac{9,332.23}{28,568.95} =$	32.67%	$\frac{11,078.59}{26,568.67} =$	41.70%
<b>Net profit Ratio:</b>					
<u>Net Profit Before Tax</u> Total Revenue		$\frac{4,886.88}{28,568.95} =$	17.11%	$\frac{6,456.96}{26,568.67} =$	24.30%
<b>Return On Capital Employed:</b>					
<u>Net Profit Before Tax</u> Capital Employed		$\frac{4,886.88}{36,070.23} =$	13.55%	$\frac{6,456.96}{33,155.07} =$	19.48%
<b>Return On Capital Employed:</b>					
<u>Net Profit After Tax</u> Capital Employed		$\frac{3,533.69}{36,070.23} =$	9.80%	$\frac{4,789.09}{33,155.07} =$	14.44%
<b>Earning Per Share:</b>					
<u>Net Profit After Tax</u> Number Of Share Issued		$\frac{3,533.69}{33.00} =$ Tk.	107.08	$\frac{4,789.09}{33.00} =$	145.12



**35.00 Events after the Statement of Financial Position Date**

**35.01 Proposed Dividend**

During the year the Board of Directors in its 454/2024-01 Meeting held on 05.02.2024 Proposed 15% dividend ( Tk. 495.00 Lakh) on paid up Capital.

**36.00 Number of Employees and their remuneration**

Employees received Salaries & Wages during the year ENDED JUNE 30, 2023 are as follows:

	No of Employees
Below Tk. 8,000 per month	Nil
Tk. 8,000 & above per month	709

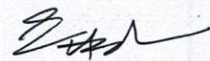
**37.00 General**

- i) These notes form an integral part of the annexed financial statements and accordingly therewith are to be read in conjunction.
- ii) The figures in these financial statements have been rounded off to "decimals" of Lakh Taka.
- iii) Where ever considered necessary, previous years figures have been re-arranged to conform to this year's presentation.

For and on behalf of the Board of Directors of Eastern Refinery Limited



**(Md. Lokman)**  
Director



**(Mohammad Elius Hossain)**  
Director

