

MEGHNA PETROLEUM LIMITED
AUDITORS' REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

Rahman Mostafa Alam & Co
Chartered Accountants

Hoda Vasi Chowdhury & Co
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
MEGHNA PETROLEUM LIMITED**

Opinion

We have audited the accompanying financial statements of **MEGHNA PETROLEUM LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2021, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 01 July 2020 to 30 June 2021, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2021 and of its financial performance and cash flows for the period from 01 July 2020 to 30 June 2021 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

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

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

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

Emphasis of Matters

- 1 While computing Gratuity liability, the requirement of IAS-19 about creating provision on the basis of Actuarial computation has not been followed. The company maintains a funded Gratuity scheme for its permanent employees in accordance with Gratuity rules and provision as on 30 June 2021 is Tk. 82,676,278.
- 2 As per IAS-36, Para-09 "An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset". Here the company did not make any impairment test as per provision of IAS-36.
- 3 FRC notification- 146/FRC/SS/2020/251 requires conversion of share money deposit into equity within six months from the date of deposit but share money deposit of Tk. 116,061,862 appearing in note 14 has not been converted into equity.

However, our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2021. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



Sl.	Key Audit Matters	How our audit addressed the key audit matters
1	Valuation of Inventories	
	<p>Inventory is carried in the financial statements at the lower of cost and net realizable value. The exercise for the assessment of the net realizable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions.</p> <p>Inventory is valued after considering operation gain/ (loss), transit gain/(loss) and conversion gain/ (loss) and is therefore considered a significant key audit matter. Please refer to note 3.05 and 9 to the financial statements.</p>	<ul style="list-style-type: none"> • Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. • Assessed whether appropriate provisions have been recognized for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. • Performed cut-off tests to determine that the purchases and sales of the inventories have been recorded in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.
2	Revenue Recognition	
	<p>Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15.</p> <p>Revenue recognition has significant and wide influence on financial statements.</p> <p>As described in the accounting policy note 3.14 to the financial statements, the company recognises revenue upon transfer of control as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 177.823 billion. Refer to note 24 to the financial statements.</p> <p>This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<ul style="list-style-type: none"> • Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition resulting from the adoption of IFRS 15. • Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

Hoda



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

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) 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.
- (b) 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.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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.
- (e) 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.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

[Signature]



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

Report on other legal and regulatory requirements

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

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

Chattogram,

02 JAN 2022

For and on behalf of
Rahman Mostafa Alam & Co.
Chartered Accountants


Arafat Kamal, FCA
Partner
Enrollment No. : 1184
DVC: 2201031184AS728568



For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants


Showkat Hossain, FCA
Senior Partner
Enrollment No. : 0137
DVC: 2201040137AS476033





MEGHNA PETROLEUM LIMITED

Statement of Financial Position

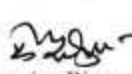
As at 30 June 2021

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
Non-Current Assets			
Property, Plant and Equipment	4.00	1,548,202,463	1,362,911,751
Capital Work-in-Progress	5.00	175,756,234	197,327,977
Long Term Investment	7.00	3,000,938,355	-
Right to use of Lease Assets	4.03	22,951,288	-
Total Non-Current Assets		4,747,848,340	1,560,239,728
Current Assets			
Short Term Investments-Depreciation Fund	6.00	1,366,743,580	-
Short Term Investments (FDR)	8.00	11,862,391,007	8,607,458,629
Inventories	9.00	13,652,091,827	15,127,756,857
Trade and Other Receivables	10.00	11,703,764,486	8,701,825,518
Advances, Deposits and Pre-payments	11.00	2,064,826,889	1,746,206,405
Cash and Cash Equivalents	12.00	23,264,000,383	20,325,045,911
Total Current Assets		63,913,818,172	54,508,293,320
TOTAL ASSETS		68,661,666,512	56,068,533,048
EQUITY AND LIABILITIES			
Equity			
Share Capital	13.00	1,082,161,080	1,082,161,080
Share Money Deposit	14.00	116,061,862	49,536,510
General Reserve	15.00	13,255,000,048	11,755,000,048
Depreciation Fund Reserve	18.00	107,094,647	-
Retained Earnings	14.01	2,743,567,900	3,152,496,136
Equity attributable to owners of the Company		17,303,885,537	16,039,193,774
Non-Current Liabilities			
Defined Benefit Obligations - Gratuity	16.00	82,676,278	84,198,926
Deferred Tax Liabilities	17.00	49,328,305	43,877,273
Long Term Lease Liability	4.03	5,909,624	-
Long Term Borrowing	19.00	141,653,782	64,406,498
Total Non-Current Liabilities		279,567,989	192,482,697
Current Liabilities			
Current Portion of Long Term Borrowing & Lease Liability	19.02	42,510,350	9,898,268
Creditors and Accruals	20.00	50,020,035,617	38,525,158,759
Provision for WPPF and Welfare Fund	21.00	191,786,840	216,141,375
Unclaimed Dividend	22.00	83,897,426	113,325,550
Income Tax Payable	23.00	739,982,753	972,332,625
Total Current Liabilities		51,078,212,986	39,836,856,577
Total Liabilities		51,357,780,975	40,029,339,274
TOTAL EQUITY AND LIABILITIES		68,661,666,512	56,068,533,048
Net Assets Value (NAV) Per Share	30.00	159.90	148.21

These financial statements should be read in conjunction with the annexed notes 01-47
and were approved by the Board of Directors on 29.12.2021
and were signed on its behalf by:


Company Secretary


General Manager (A & F)


Managing Director


Director

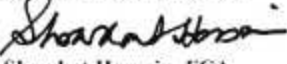

Chairman

Signed in terms of our separate report of even date annexed

For and on behalf of
Rahman Mostafa Alam & Co.
Chartered Accountants


Arafat Kamal, FCA
Partner
Enrollment No. : 1184
DVC: 2201031184AS728568

For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants


Showkat Hossain, FCA
Senior Partner
Enrollment No. : 0137
DVC: 2201040197AS476033

Chattogram,

02 JAN 2022



MEGHNA PETROLEUM LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

	Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
Gross Earnings on Petroleum Products	24.00	2,270,825,278	1,998,425,260
Net Operational Gain / (Loss)	24.03	61,131,091	106,880,970
Net Earnings on Petroleum Products		2,331,956,369	2,105,306,230
Other Operating Income	24.05	219,814,306	274,377,917
Total Income		2,551,770,675	2,379,684,147
Operating Expenses			
Administrative, Selling and Distribution Expenses	25.00	(1,059,787,855)	(1,023,317,429)
Financial Expenses	26.00	(134,730,809)	(123,927,250)
Interest Expenses through BPC	27.00	(143,610,247)	(122,077,525)
		(1,338,128,911)	(1,269,322,204)
Total Operating Profit		1,213,641,764	1,110,361,943
Non-operating Income	28.00	2,622,095,044	3,212,465,566
Net Profit Before WPP&WF		3,835,736,808	4,322,827,509
Contribution to Workers' Profit Participation and Welfare Fund @ 5% on net profit	21.00	(191,786,840)	(216,141,375)
Net Profit Before Income Tax		3,643,949,968	4,106,686,134
Income tax (expenses)/benefits:			
Current Tax	23.00	(817,090,905)	(1,022,944,773)
Deferred Tax	17.00	(5,451,032)	(4,561,619)
		(822,541,937)	(1,027,506,392)
Net Profit After Tax available for Retained Earnings		2,821,408,031	3,079,179,742
Other Comprehensive Income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
		-	-
Total Comprehensive Income		2,821,408,031	3,079,179,742
Earnings per share (EPS)	29.00	26.07	28.45

These financial statements should be read in conjunction with the annexed notes 01-47
and were approved by the Board of Directors on 29.12.2021
and were signed on its behalf by:


Company Secretary


General Manager (A & F)



Managing Director


Director


Chairman

Signed in terms of our separate report of even date annexed

For and on behalf of
Rahman Mostafa Alam & Co.
Chartered Accountants


Arafat Kamal, FCA
Partner
Enrollment No. : 1184
DVC: 2201031184AS728568

For and on behalf of
Hoda Vasi Chowdhury & Co
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Showkat Hossain, FCA
Senior Partner
Enrollment No. : 0137
DVC: 2201040137AS476033

Chattogram,

02 JAN 2022



MEGHNA PETROLEUM LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

	Share Capital	General Reserve	Share Money Deposit	Depreciation Fund Reserve	Retained Earnings	Total Equity
Balance as on 1 July 2019	1,082,161,080	9,605,000,048	49,536,510	-	3,846,558,014	14,583,255,652
Cash Dividend Paid during the Year	-	-	-	-	(1,623,241,620)	(1,623,241,620)
Transferred to General Reserve	-	2,150,000,000	-	-	(2,150,000,000)	-
Net Profit after Tax for the Year 2019-2020	-	-	-	-	3,079,179,742	3,079,179,742
Balance as at 30 June 2020	1,082,161,080	11,755,000,048	49,536,510	-	3,152,496,136	16,039,193,774
Balance as on 1 July 2020	1,082,161,080	11,755,000,048	49,536,510	-	3,152,496,136	16,039,193,774
Add: Annual Development Program of GOR - Loan	-	-	66,525,352	-	-	66,525,352
Cash Dividend Paid during the Year	-	-	-	-	(1,623,241,620)	(1,623,241,620)
Transferred to General Reserve	-	1,500,000,000	-	-	(1,500,000,000)	-
Transferred to Depreciation Fund Reserve	-	-	-	107,094,647	(107,094,647)	-
Net Profit after Tax for the Year 2020-2021	-	-	-	-	2,821,408,031	2,821,408,031
Balance as at 30 June 2021	1,082,161,080	13,255,000,048	116,061,862	107,094,647	2,743,567,900	17,303,885,537
Note(s)	13.00	15.00	14.00	18.00	14.01	

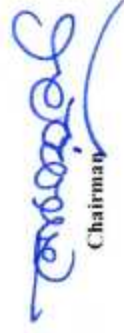
These financial statements should be read in conjunction with the annexed notes 01-47 and were approved by the Board of Directors on 29.12.2021 and were signed on its behalf by:


Company Secretary


General Manager (A & F)


Managing Director


Director


Chairman



MEGHNA PETROLEUM LIMITED

Statement of Cash Flows
For the year ended 30 June 2021

Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Taka	Taka
A. Operating Activities		
Cash Received from Customers	33.01 175,102,348,184	175,172,632,319
Cash Paid to Suppliers, Employees and Others	33.02 (163,243,233,148)	(180,096,346,149)
Cash Paid for operating other expenses	33.03 (819,140,052)	-
Cash from operation	11,039,974,984	(4,923,713,830)
Cash Received from Non-Operating Income	33.04 2,622,095,044	3,212,465,566
Cash Payment for Financial Expenses	33.05 (278,341,056)	(246,004,775)
Income Tax Paid	33.06 (976,574,033)	(1,048,897,041)
Net Cash Generated by Operating Activities	32.00 12,407,154,939	(3,006,150,080)
B. Investing Activities		
Capital Expenditures	33.07 (1,730,796,461)	(173,364,861)
Short Term & Long Term Investment	33.08 (6,255,870,733)	2,399,101,012
Net Cash Used in Investing Activities	(7,986,667,194)	2,225,736,151
C. Financing Activities		
Share Money Deposit	33.09 66,525,352	-
(Repayment) / Receipt of Long term loan	33.10 99,788,028	-
Payment of Lease	33.11 (11,157,871)	-
Increase in Lease Liability	33.12 15,980,962	-
Dividend Paid	33.13 (1,652,669,744)	(1,585,939,851)
Net Cash Used in Financing Activities	(1,481,533,273)	(1,585,939,851)
D. Net Increase of Cash and Cash Equivalents (A+B+C)	2,938,954,472	(2,366,353,780)
E. Opening Cash and Cash Equivalents	20,325,045,911	22,691,399,691
F. Closing Cash and Cash Equivalents (D+E)	23,264,000,383	20,325,045,911
Net Operating Cash Flow Per Share (NOCFPS)	31.00 114.65	(27.78)

These financial statements should be read in conjunction with the annexed notes 01-47
and were approved by the Board of Directors on 29.12.2021
and were signed on its behalf by:


Company Secretary


General Manager (A & F)


Managing Director


Director


Chairman



MEGHNA PETROLEUM LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1.00 THE REPORTING ENTITY

1.01 Legal form of enterprise

Meghna Petroleum Limited (hereinafter referred to as the company) was incorporated in Bangladesh on 27 December, 1977 as a Private Limited Company. All but six shares of the Company are held by the Bangladesh Petroleum Corporation (hereinafter referred to as BPC). Subsequently it converted into a Public Limited Company on 29 May 2007 vide special resolution dated 29 May 2007 under the Companies Act 1994. As resolved in the Board of BPC, the present owner of the shares, and also as per resolution taken in the EGM, the Company shall off load 12,000,000 ordinary shares of Tk 10 each to the general public / institutions at market price in accordance with regulation 5 of Stock Exchange (direct listing) regulations 2006, the Depository Act 1999 and regulations issued there under. The shares were floated for public offering on 14 January 2008.

The registered office and principal place of business of the company is located at 58-59, Agrabad Commercial Area, Chittagong, Bangladesh.

1.02 Nature of the business

The activities of the Company comprise the procurement, storage and marketing of Petroleum products and Lubricants, Bitumen, Liquefied Petroleum Gas (LPG) and Battery Water in Bangladesh.

2.00 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 Statement of compliance

The Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flows 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 (ICAB).

2.02 Basis of reporting

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

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

2.03 Other regulatory compliances

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

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax and Supplementary Duty Act, 2012
The Value Added Tax and Supplementary Duty Rules, 2016
The Customs Act, 1969
Bangladesh Labour Law, 2006
The Securities and Exchange Ordinance, 1969
The Securities and Exchange Rules, 1987
Securities and Exchange Commission Act, 1993

2.04 Authorization for issue

The financial statements were authorized for issue by the Board of Directors on 29.12.21

2.05 Basis of measurement

The Financial Statements have been prepared on going concern basis under the historical cost convention.

2.06 Functional and presentation currency

The financial statements are presented in Bangladesh Taka which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.07 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.

2.08 Going concern

The company has adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the company provide sufficient fund to meet the present requirements of its existing business and operation.



2.09 Reporting period

These financial statements of the company cover one year from 1 July 2020 to 30 June 2021 and is followed consistently.

2.10 Applicable accounting standards

The following IASs and IFRSs are applicable for preparation and reporting of the Financial Statements for the period under review:

IAS - 1	Presentation of Financial Statements
IAS - 2	Inventories
IAS - 7	Statements 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 - 17	Leases
IAS - 21	The Effects of Changes in Foreign Exchange Rates
IAS - 24	Related Party Disclosures
IAS - 33	Earnings Per Share
IAS - 36	Impairment of Assets
IAS - 37	Provisions, Contingent Liabilities and Contingent Assets
IFRS- 7	Financial Instruments: Disclosures
IFRS- 9	Financial Instruments
IFRS- 15	Revenue from Contract with Customers
IFRS- 16	Leases

2.11 Application of new Standards (IFRS 16 "Leases") yet to adopt

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

IFRS - 16 Leases

IFRS 16 "Leases" eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, financial position accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 "Leases" is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact of application and adoption of IFRS 16 "Leases" on its financial statements. Management has opted to adopt this new IFRS from next financial year.

2.12 Use of estimates and judgments

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments 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 9	Inventories
Note 10	Trade and Other Receivables
Note 16	Defined Benefit Obligations - Gratuity
Note 17	Deferred Tax Liabilities
Note 23	Income Tax Payable

2.13 Classification of current and non-current

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

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period

Or,



Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period.

Or,

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.14 Comparative Information and reclassification

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

3.00 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 | Leases |
| 3.05 | Inventories |
| 3.06 | Financial assets |
| 3.07 | Financial liabilities |
| 3.08 | Impairment |
| 3.09 | Share capital |
| 3.10 | General reserve |
| 3.11 | Employee benefits |
| 3.12 | Taxation |
| 3.13 | Provisions, contingent liabilities and contingent assets |
| 3.14 | Revenue |
| 3.15 | Other income - non-operating |
| 3.16 | Earnings per share (EPS) |
| 3.17 | Foreign currency transactions |
| 3.18 | Events after the reporting period |
| 3.19 | General |

3.01 Consistency

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

3.02 Property, plant and equipment

3.02.01 Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation except freehold land which are stated at cost.

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



3.02.02 Subsequent costs

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

3.02.03 Depreciation

No depreciation is charged on freehold land considering the unlimited life. Leasehold land is amortized according to the amortization schedule. In respect of all other property, plant and equipment, depreciation is recognized in 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 derecognized. 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 to allocation of total cost over useful life of assets which is considered reasonable by the management.

The principal annual rates are as follows:

Category of Assets	Rates of depreciation (%)
Buildings	6.6
Plant & Machinery	6.6
Vehicle	6.6-20
Computer & Accessories	20
Furniture and Fixture	6.6
Filling and Service Station Facilities	6.6
Oil Tanker & Floating Equipment	6.6
Storage Tanks	6.6
Equipment and Fittings	6.6
Sundry Plants	6.6

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

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

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 Leases

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

3.04.01 IFRS 16 "Leases"

IFRS 16 "Leases" introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-to-use assets representing its right-to-use to the underlining assets and lease liability representing its obligation to make lease payments. There are recognition exemptions for short term assets and lease of low value items. IFRS 16 "Leases" replaces existing leases guidance including IAS-17 Leases, IFRIC-16 Determining whether an arrangement contains a lease, SIC-15 Operating Lease Incentives and SIC-27 Evaluating the Substance of transactions involving the legal forms of lease. The standard is effective from on or after 01st January 2019. Although early adoption is permitted, the company has not early adopted IFRS 16 "Leases" in preparing the financial statement.

As a lessee the company is now initially applied IFRS 16 "Leases" from 1st July 2020, to all contract inception whether an agreement is or contains a leases, using the modified retrospective approach and the comparative information throughout this Financial Statements has not been restated to reflect the requirements of the new standard. Therefore, the cumulative effect of adopting IFRS-16 will be recognized as an adjustment to the opening balance of retained earnings at 01st July 2020, with no restatement of comparative information.

The details of the changes in accounting policies are described below:

A) Definition of a Lease

Previously the company did not determine a contract inception whether an agreement is or contains a leases. Now under IFRS 16 "Leases" company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in the note 4.03.

On transaction of the IFRS-16 the company evaluated all types of the contract to assess whether a contract is or contains a lease at the date of initial application.



i) As a Lessee

As a lessee company previously classified leases as operating or financial lease based on the assessment of whether the lease transferred significantly all of the risk and reward incidental to ownership of the underlying asset to the company. Under IFRS-16 company recognizes right-to-use of the assets and the lease liability for all leases.

a) leases previously classified as operating lease under IAS-17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at companies incremental borrowing rate as at 30 June 2020. Right-to-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The company used the following particular expedients when applying IFRS 16 "Leases" to leases previously could be classified as operating leases under IAS-17.

- Applied single discount rate to leases with similar characteristics.
- Applied the exemption for short term assets and lease of low value items.

b) leases previously classified as financial lease under IAS-17

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at 30 June 2020 are determined at the carrying amount of the lease asset and lease liability under IAS 17. The company has no finance lease.

ii) As a lessor

There is neither an agreement nor a contract that contains a lease as a lessor and is not required to make any adjustments on transitions to IFRS 16 "Leases" for leases in which it acts as a lessor.

B) Right-of-use of assets

Cost				Depreciation				Carrying Amount	
As on 01 July 2020	Addition during the year	Disposal/ adjustment during the year	As on 30 June 2021	As on 01 July 2020	Charged during the year	Disposal/ Adjustment during the year	As on 30 June 2021	As on 30 June 2021	As on 30 June 2020
8,776,206	26,551,980	-	35,328,186	1,753,030	10,623,868	-	12,376,898	12,951,288	-

C) Lease Liability to adopt IFRS - 16 "Leases"

Opening Balance

Lease Obligation

Less: Paid during the year

Lease Liabilities

30 June 2021	30 June 2020
Taka	Taka
-	-
26,551,980	-
(10,623,868)	-
<u>15,928,112</u>	<u>-</u>

D) Lease Liability Maturity Analysis

Lease Liability- non current portion

Lease Liability- current portion

10,071,338	-
5,909,624	-
<u>15,980,962</u>	<u>-</u>

E) Amount recognized in profit and loss

Interest on lease liability

534,003	-
<u>534,003</u>	<u>-</u>

F) Amount recognized in statement of cash flows

Capital expenditure at acquisition of right-of-use of assets

Less: Lease Liabilities

Add: Interest paid during the year

Total cash outflow for lease

26,551,980	-
(15,928,112)	-
534,003	-
<u>11,157,871</u>	<u>-</u>



3.05 Inventories

Nature of inventories

Inventories comprise petroleum products, lubricants, LPG, bitumen, receptacles and stores and spares etc.

Valuation of inventories

Inventories are measured at lower of cost and net realizable value in accordance with IAS-2 "Inventories". Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale.

Basis of valuation are as follows:

Category	Basis of valuation
Petroleum Products	Weighted Average Cost or ERL Transfer Price or net realizable value whichever is lower
Other Products and Store & Spares	Weighted Average Cost

3.06 Financial assets

The company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially 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 asset when the contractual rights to the cash flows from the asset expire, 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 asset are transferred.

Financial assets include Short Term Investments, Trade and Other Receivables, Advances, Deposits and Prepayments and Cash and cash equivalents.

3.06.01 Trade and other receivables

Accounts and other 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, if any, due to un-collectability of any amount so recognized.

Provision for doubtful debts is made based on the company policy. Bad debts are written off on consideration of the status of individual debtors.

3.06.02 Short term investments

Short term investments include Fixed Deposits Receipts (FDRs) which are held with various banks in the name of the Company for more than Three months. These FDRs are renewed upon maturity at the option of the company.

3.06.03 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.

3.06.04 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short notice deposit (SND) are held with various banks for less than 3 months, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

3.07 Financial liabilities

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual obligations of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade Creditors and other financial obligations.

3.07.01 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.

3.08 Impairment

3.08.01 Financial assets

Financial assets 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.



3.08.02 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.

3.09 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.

3.10 General reserve

The general reserve is created from time to time by transferring profits from retained earnings to meet future known or unknown requirements. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

3.11 Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. Employees are covered under the Group Insurance Scheme.

3.11.01 Defined contribution plan

The Company maintains a recognized provident fund @ 10% of basic pay (Equally contributed by employee & employer) for all eligible permanent employees. The said fund is managed by the Board of Trustees.

3.11.02 Defined benefit plan

The Company operates a recognized funded gratuity scheme for its permanent employees. The said fund is managed by the Board of Trustees.

Service length	Payment basis
Less than Five (5) years	Nil
For 5 years and above	As per terms of Employees Gratuity Fund Scheme

3.11.03 Workers' profit participation and welfare funds

The company also recognizes a provision for Workers' profit participation and welfare funds @ 5% of net profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006.

3.12 Taxation

3.12.01 Current tax

The company has been maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. The applicable rate is 22.5% for the year.

3.12.02 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/expense does not create a legal liability/recoverability to and from the income tax authority.

3.13 Provisions, contingent liabilities and contingent assets

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. In accordance with IAS-37 "Provisions, Contingent Liabilities and Contingent Assets", contingent liabilities and commitments are disclosed in the financial statements.



3.14 Revenue

In compliance with the requirements of IFRS 15: Commission earnings from sales of petroleum products are measured at fair value of the consideration received or receivable. Commission on petroleum products are determined by Government through official gazette notification issued from time to time. Revenue is recognized when a promised goods or service is transferred to a customer and control is passed.

3.15 Other income - non-operating

Other non-operating income includes land rent, service charges, filling and power station rent, MPL products handling, interest income on delayed payment, interest income from SND and FDR, profit on disposal of assets, commission and service charges and sale of scrap. Other non-operating income are recognized as revenue income as and when accrued / realized.

3.16 Earnings per share (EPS)

The company calculates Earnings per share (EPS) in accordance with IAS 33 "Earnings per share" which has been shown on the face of Statement of profit or loss and other Comprehensive Income.

3.16.01 Basis of earnings

The Company calculates earnings for the year attributable of the ordinary shareholders. As there is no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to ordinary shareholders.

3.16.02 Basic earnings per share

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

3.16.03 Diluted earnings per share

Diluted earnings per share is required to be calculated for the year when there is scope for dilution exists.

3.16.04 Re-stated earnings per share

Issue of bonus share in any year requires re-stating the EPS of the prior year. In such a case, the EPS calculation for those and any prior financial statements presented are based on the new number of shares.

3.17 Foreign currency transactions

Transactions in foreign currencies are translated into Taka at the rates prevailing on the dates of the transactions. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are retranslated into Bangladesh taka at the exchange rate prevailing on that date. All exchange differences if any, are recognized in the statement of profit or loss and other comprehensive income.

The company is exposed to currency risk on certain revenues and purchases of raw materials and equipment. Company's foreign currency transactions are denominated in USD and relate to import of capital machinery and raw materials.

3.18 Depreciation Fund

a) Meghna Petroleum Limited depreciation fund was formed on 10 October 2019 as per direction of বোর্ডের একটি সর্বসাধারণের সভায় - 28.00.000.029.01.008.18-356 date 24-12-2018 and বোর্ডের সভায় - 28.03.0000.00.024.08.092.18-297 dated 30-01-2019 and subsequently approved by the company Directors in their Board Meeting No. 579 held on 25 August 2019 (17th on 2019) with effect from 01 July 2018.

b) The objective of the fund is to accumulate the depreciation charged to the assets of the company in each financial year and use the fund for replacement of depreciated Asset(s) and/or Procurement /Acquisition of new asset(s) /new plant / new business etc.

c) Income of the fund are not distributable to the shareholders of Meghna Petroleum Limited but shall be reinvested upon maturity

3.18 Events after the reporting period

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

3.19 General

- Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.
- Bracket figures denote negative.



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

Particulars	Freehold Land	Leasehold Land	Building	Plant & Machinery	Vehicles	Furniture & Fixture	Filling & Service Station Facilities	Oil Tanker & Floating Equipment	Storage Tanks	Computer & Accessories	Equipment & Fittings	Sturdy Plants	Total
At Cost													
Balance as on 1 July 2019	9,868,682	8,776,206	6,455,711,718	1,377,300	107,398,284	15,614,615	566,667,467	38,253,796	992,561,404	30,218,864	67,518,238	325,668,899	2,779,635,476
Additions during 2019-2020	-	-	14,310,907	-	-	700,024	65,507,154	-	3,305,075	2,414,372	4,601,732	16,992,187	107,831,451
Adjustment made during 2019-2020	-	-	-	-	(945,000)	-	-	-	-	-	-	-	(945,000)
Balance as at 30 June 2020	9,868,682	8,776,206	6,600,022,625	1,377,300	106,453,284	16,314,642	632,174,621	38,253,796	995,866,479	32,633,236	72,119,970	342,661,086	2,886,521,927
Balance as on 1 July 2020	9,868,682	-	6,600,022,625	1,377,300	106,453,284	16,314,642	632,174,621	38,253,796	995,866,479	32,633,236	72,119,970	342,661,086	2,877,745,721
Additions during 2020-2021	-	-	99,657,180	-	-	248,210	17,050,441	-	194,684,938	4,125,673	928,000	52,949,220	369,643,562
Adjustment made during 2020-2021	-	-	-	-	-	-	-	-	-	-	-	-	(629,167)
Balance as at 30 June 2021	9,868,682	-	7,59,679,805	1,377,300	106,453,284	16,562,852	649,225,062	38,253,796	1,190,551,417	36,758,909	73,047,970	394,981,139	3,246,766,216
Accumulated Depreciation													
Balance as on 1 July 2019	-	2,665,940	289,752,868	1,377,300	84,455,526	8,281,437	312,080,300	18,425,348	475,425,109	29,218,790	39,673,911	110,058,058	1,370,414,587
Depreciation Rate	-	-	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	20.00%	6.60%	6.60%	6.60%
Charge for the year 2019-2020	-	137,650	35,187,394	-	7,266,784	851,714	30,778,540	1,454,812	53,278,257	1,374,145	3,300,480	20,426,813	154,140,589
Adjustment made during 2019-2020	-	-	-	-	(945,000)	-	-	-	-	-	-	-	(945,000)
Balance as at 30 June 2020	-	2,803,590	324,940,262	1,377,300	90,777,310	9,133,151	342,858,840	19,880,160	528,703,366	29,592,935	43,064,391	130,478,871	1,523,610,176
Balance as on 1 July 2020	-	-	324,940,262	1,377,300	90,777,310	9,133,151	342,858,840	19,880,160	528,703,366	29,592,935	43,064,391	130,478,871	1,520,806,580
Depreciation Rate	-	-	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	6.60%	20.00%	6.60%	6.60%	6.60%
Charge for the year 2020-2021	-	41,440,539	-	-	7,266,784	820,416	31,378,136	1,454,812	66,414,534	2,017,919	3,467,570	23,811,682	177,792,692
Adjustment made during 2020-2021	-	-	-	-	-	-	-	-	-	-	-	-	(41,525)
Balance as at 30 June 2021	-	3,66,381,101	366,381,101	1,377,300	98,044,094	9,953,567	373,936,976	21,334,972	595,137,900	31,610,854	46,531,961	154,249,028	1,698,557,753
Carrying Amounts													
As at 30 June 2020	9,868,682	5,972,616	335,082,363	-	15,675,974	7,181,491	289,315,781	18,373,636	437,163,113	3,040,301	29,055,579	212,182,215	1,262,911,751
As at 30 June 2021	9,868,682	-	393,298,704	-	8,409,190	6,609,285	275,288,066	16,918,824	565,413,517	5,148,055	26,516,009	240,732,111	1,548,202,463

4.01 Status of land mutation

The Company owns 7,467 decimals of land in various locations under the Meghna Petroleum Company Limited and ESSO out of which 7,267 decimals has already mutated under its present name and remaining 200 decimals are in process of mutation

Note	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
22.00	177,792,692	154,140,589
	177,792,692	154,140,589

4.02 Depreciation appropriated to:

Administrative, selling and distribution expenses

Note(s)	30 June 2021	30 June 2020
	Taka	Taka
4.03 Right to use of Lease		
i) ROU Assets		
a) Cost		
Opening Balance	-	-
Adjustment for lease as per IFRS 16	8,776,206	-
Adjusted opening balance	8,776,206	-
Additions/modifications as per IFRS-16*	26,551,980	-
Closing Balance	<u>35,328,186</u>	<u>-</u>
* Represents present value of future payment for 16.2694 acre of leased land from Chittagong Port Authority, 2.86 acre of lease land at Barishal Depot from BIWTA and 0.66 acre of leased land at Joypahar Chattogram from BPC.		
b) Accumulated Depreciation and Impairment of Lease		
Opening Balance	-	-
Amortization for adjustment as per IFRS 16	1,753,030	-
Adjusted opening balance	1,753,030	-
Amortization/Depreciation for the year	10,623,868	-
Closing Balance	<u>12,376,898</u>	<u>-</u>
c) Carrying Amounts	<u>22,951,288</u>	<u>-</u>
ii) Lease Liabilities		
Opening Balance	-	-
Lease Obligation	26,551,980	-
Less: Paid/Adjustment during the year	(10,571,018)	-
Lease Liabilities	<u>15,980,962</u>	<u>-</u>
a) Lease Liability Maturity Analysis		
Lease Liability- non current portion	5,909,624	-
Lease Liability- current portion	10,071,338	-
	<u>15,980,962</u>	<u>-</u>
b) Amount recognised in profit and loss		
Interest on lease liability	534,003	-
	<u>534,003</u>	<u>-</u>
c) Amount recognised in statement of cash flows		
Capital expenditure at acquisition of right-of-use of assets	25,366,224	-
Less: Lease Liabilities	(14,795,206)	-
Add: Interest paid during the year	534,003	-
Total cash outflow for lease	<u>11,105,021</u>	<u>-</u>



	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
5.00 Capital Work-in-Progress			
Opening balance		197,327,977	131,794,567
Add: Addition during the year	5.01	348,071,919	173,364,861
		545,399,896	305,159,428
Less: Capitalized during the year	5.01	(369,643,662)	(107,831,451)
		<u>175,756,234</u>	<u>197,327,977</u>

5.01 Details of Capital Work in Progress

Particulars	Opening Balance	Addition	Capitalized during the year	Closing Balance as on 30 June 2021
Buildings*	183,274,350	72,904,474	(99,657,180)	156,521,644
Furniture & Fixtures	-	248,210	(248,210)	-
Filling & Service Station Facilities	-	17,050,441	(17,050,441)	-
Storage Tanks	4,323,124	194,684,938	(194,684,938)	4,323,124
Computer & Accessories	-	4,125,673	(4,125,673)	-
Equipment & Fittings	9,730,503	928,000	(928,000)	9,730,503
Sundry Plant	-	58,130,183	(52,949,220)	5,180,963
Vehicles	-	-	-	-
	<u>197,327,977</u>	<u>348,071,919</u>	<u>(369,643,662)</u>	<u>175,756,234</u>

These costs include costs incurred initially to construct property, plant and equipment (PPE). Construction costs are transferred to PPE when the construction is completed.

*Second revised Development Project Proposal (RDPP) prepared with the consultation of BRTC -BUET and send to Ministry on 02.12.2021 for approval of construction of 19 storied "Meghna Bhaban" company's head office at plot 72 at Agrabad Commercial Area Chattogram.

6.00 Short Term Investments-Depreciation Fund	3.18 & 18.01		
Standard Bank Limited		581,381,491	-
Mercantile Bank Limited		785,362,089	-
		<u>1,366,743,580</u>	<u>-</u>

7.00 Long Term Investment (FDR)			
Sonali Bank		2,000,623,287	-
Rupali Bank Limited		1,000,315,068	-
		<u>3,000,938,355</u>	<u>-</u>

8.00 Short Term Investments (FDR)			
Name of the Banks	Tenure		
Agrani Bank Limited	6 Months	2,672,832,259	-
Bangladesh Commerce Bank Limited	6 Months	-	254,570,994
Bangladesh Krishi Bank	6 Months	150,501,370	-
Basic Bank Limited	6 Months	-	306,120,520
First Security Islami Bank Limited	6 Months	3,135,221,698	105,270,474
Padma Bank Limited*	6 Months	97,669,959	96,328,067
Janata Bank Limited	6 Months	-	-
Standard Bank Limited	6 Months	30,269,384	-
Global Islami Bank Limited	6 Months	3,069,688,112	4,064,311,763
Premier Bank Limited	6 Months	50,460,274	-
Rupali Bank Limited	6 Months	500,126,028	-
SBAC Bank Limited	6 Months	-	155,110,081
Sonali Bank Limited	6 Months	-	612,809,221
Union Bank Limited	6 Months	2,155,621,923	3,012,931,500
		<u>11,862,391,007</u>	<u>8,607,458,629</u>

*Previously as Farmers Bank Limited

9.00 Inventories			
Stores & Spares	9.01	59,386,249	74,397,915
Product and Receptacles	9.02	13,592,705,578	15,053,358,942
		<u>13,652,091,827</u>	<u>15,127,756,857</u>



Note(s)	30 June 2021		30 June 2020	
	Taka		Taka	
9.01 Stores & Spares				
Terminal South-1		59,187,011		74,198,677
Terminal South-2		986		986
Terminal North		198,252		198,252
		59,386,249		74,397,915
9.02 Product and Receptacles				
Refined Products		12,820,979,399		14,435,177,237
LPG	24.04	300,940		3,023,496
Bitumen	24.04	3,038,876		62,310,726
Lubricants		546,758,880		544,458,412
Receptacles		5,828,446		8,389,071
		13,376,906,541		15,053,358,942
In - Transit		215,799,037		-
		13,592,705,578		15,053,358,942
10.00 Trade and Other Receivables				
Trade Receivables	10.01	777,164,711		1,131,801,724
Other Receivables	10.02	10,926,599,775		7,570,023,794
		11,703,764,486		8,701,825,518
10.01 Trade Receivables				
Bangladesh Railway		31,830,320		397,080,685
Defence Service		518,898,896		507,062,308
Power Development Board		108,294,182		109,364,756
Chittagong Port Authority		68,819,918		80,579,759
Chemical Industries Corporation		51,913,907		51,913,907
Bangladesh Ordnance Factories		61,084		1,869,648
Bangladesh Coast Guard (Chattogram)		81,933,913		45,562,878
Bangladesh Coast Guard (Khulna)		12,749		162,777
Bangladesh Inland Water Transport Corporation		4,030,758		4,030,758
Bangladesh Oil Gas Minerals Corporation (Petrobangla)		207,285		207,285
Bangladesh Biman		81,095		81,095
Bangladesh Road Transport Corporation		75,320		75,320
Adamji Jute Mills Limited		53,153		53,153
Agent and Dealer		78,830,144		103,919,308
Other Consumers		3,003,201		719,301
		948,045,925		1,302,682,938
Provision for doubtful debts		(170,881,214)		(170,881,214)
		777,164,711		1,131,801,724
10.02 Other Receivables				
Oil Sector	9.03	10,831,054,406		7,426,126,999
Others		101,345,301		149,696,727
Provision for doubtful debts		(5,799,932)		(5,799,932)
		10,926,599,775		7,570,023,794
10.03 Oil Sector				
BPC Current Account		10,768,041,848		7,425,858,360
Other Companies		63,012,558		268,639
		10,831,054,406		7,426,126,999
10.04 Ageing of Trade Receivable				
Upto 6 months		739,140,486		978,087,719
Over 6 months but less than 12 months		37,797,661		128,461,944
12 months or above		171,107,778		196,133,274
		948,045,925		1,302,682,937



		Note(s)	30 June 2021 Taka	30 June 2020 Taka
11.00	Advances, Deposits and Pre-payments			
	Advances	11.01	1,944,134,397	1,632,880,311
	Security Deposits	11.02	99,457,365	99,457,365
	Pre-payments	11.03	21,235,127	13,868,729
			2,064,826,889	1,746,206,405
11.01	Advances			
	Advance to Employees	11.01.01	130,149,338	104,392,885
	Advance Income Tax	11.01.02	641,119,488	713,986,232
	Against Expense		59,069,572	72,503,436
	Mongla Oil Installation		718,116,188	715,509,532
	Lube Blending Plant		1,014,800	1,014,800
	Chittagong Custom Authority		374,938,818	-
	Chittagong Port Authority		19,726,193	25,473,426
			1,944,134,397	1,632,880,311
11.01.01	Advance to Employees			
	House Building & Land Purchase Finance Scheme		41,006,170	39,191,669
	Against Salaries and Festivals		38,011	38,011
	Car Purchase		5,646,668	4,973,612
	Company's Business		6,405,347	3,448,556
	Advance against Employee Taxes (U/S 64)		77,053,142	56,741,037
			130,149,338	104,392,885
	Advance to employees represents amount of advances recoverable in cash or adjustment against salary of employees of the Company.			
11.01.02	Advance Income Tax			
	Opening balance		713,986,232	912,023,110
	Add: Paid/deducted during the year		951,737,761	1,048,897,041
			1,665,723,993	1,960,920,151
	Less: Adjusted during the year		(1,024,604,505)	(1,246,933,919)
	Closing balance		641,119,488	713,986,232
11.02	Security Deposits			
	Eastern Lubricants Blenders Limited		2,500,000	2,500,000
	Standard Asiatic Oil Company Limited		5,000,000	5,000,000
	Liquefied Petroleum Gas Limited		90,279,141	90,279,141
	Electricity & Telephone		439,319	439,319
	Bangladesh Railway		199,781	199,781
	Karnafuly Gas Distribution Company		61,920	61,920
	Mongla custom Authority		300,000	300,000
	Others		677,204	677,204
			99,457,365	99,457,365
11.03	Pre-payments			
	Rent & Rates		21,235,127	13,868,729
			21,235,127	13,868,729
12.00	Cash and Cash Equivalents			
	Cash in Hand	12.01	4,075,000	4,075,000
	Cash at Banks	12.02	20,744,893,530	13,187,238,195
	Fixed Deposit Receipts (FDRs)	12.03	2,515,031,853	7,133,732,716
			23,264,000,383	20,325,045,911



Note(s)	30 June 2021	30 June 2020
	Taka	Taka
12.01 Cash in Hand		
Head Office	350,000	350,000
Main Installation	300,000	300,000
Aligorj Depot	20,000	20,000
Baghabari Depot	125,000	125,000
Barishal Burge	100,000	100,000
Blairab Bazar Depot	125,000	125,000
Bogra LPG Supply Point	70,000	70,000
Chandpur Depot	100,000	100,000
Chilmari Burge	20,000	20,000
Daulatpur Depot	320,000	320,000
Dhaka Office	500,000	500,000
Emergency POL Depot	125,000	125,000
Fatullah Depot	200,000	200,000
Godnail Depot	300,000	300,000
Harian Depot	50,000	50,000
Jhalakati Depot	125,000	125,000
Khulna Depot	20,000	20,000
MMSC Dhaka	300,000	300,000
Moglabazar Depot	100,000	100,000
Mongla oil Depot	500,000	500,000
Natore Depot	50,000	50,000
Parbotipur Depot	125,000	125,000
Rangpur Depot	75,000	75,000
Sreemongal Depot	75,000	75,000
	4,075,000	4,075,000
12.02 Cash at Banks		
AB Bank Limited	1,802,921,645	1,252,155,842
Agrani Bank Limited	89,804,679	150,302,755
Bank Asia Limited	94,089,335	52,694,514
CITI Bank N.A. Limited	13,667,514	20,169,544
Dutch Bangla Bank Limited	20,552,861	14,832,869
Eastern Bank Limited	1,673,524,238	159,335,509
First Security Islami Bank Limited	4,615,312,428	2,746,638,085
IFIC Bank Limited	1,485,280,319	402,458,762
HSBC Bank Limited	191	149
Janata Bank Limited	261,740,820	235,257,826
Mercantile Bank Limited	2,868,061,767	1,025,149,064
National Bank Limited	1,861,441,924	3,347,635,083
NRB Bank Ltd.	373,856	-
NRB Commercial Bank Limited	327,913,688	88,960,489
NCC Bank Limited	244,286,101	326,278,100
One Bank Limited	2,773,593,416	487,733,298
Prime Bank Limited	183,094,702	61,187,413
Pubali Bank Limited	810,461,448	401,096,535
Sonali Bank Limited	54,234,574	31,767,341
Southeast Bank Limited	475,918,700	546,329,085
Standard Bank Limited (Depreciation Fund)	-	1,289,737,878
Standard Chartered Bank Limited	197,371,654	105,409,937
The City Bank Limited	212,462,699	140,195,317
United Commercial Bank Limited	207,352,111	106,822,989
Uttara Bank Limited	471,232,860	194,189,811
	20,744,893,530	13,187,238,195
12.03 Fixed Deposit Receipts (FDRs)		
Name of the Banks	Tenure	
Agrani Bank Limited	3 Months	1,329,895,886
Bank Asia Limited	3 Months	52,696,064
Basic Bank Limited	3 Months	1,962,533,223
Padma Bank Limited	3 Months	20,831,744
Janata Bank Limited	3 Months	502,383,562
National Bank Limited	3 Months	53,592,935
NRB Global Bank Limited	3 Months	50,115,068
Rupali Bank Limited	3 Months	2,442,600,467
Sonali Bank Limited	3 Months	1,042,444,049
		2,515,031,853
		7,133,732,716



13.00 Share Capital

		30 June 2021	30 June 2020
		Taka	Taka
No. of Shares	Authorised Capital:		
400,000,000	Ordinary shares of Tk 10 each	4,000,000,000	4,000,000,000
Issued, Subscribed and Paid-up Capital			
3	Ordinary Shares of Tk. 10 each fully paid-up in cash	30	30
5,000,000	Ordinary Shares of Tk. 10 each issued for consideration other than cash on 29 February 1984	50,000,000	50,000,000
4,500,002	Ordinary Shares of Tk. 10 each issued as bonus share on 25 June 2005	45,000,020	45,000,020
950,000	Ordinary Shares of Tk. 10 each issued as bonus share on 28 June 2007	9,500,000	9,500,000
29,549,995	Ordinary Shares of Tk. 10 each issued as bonus share on 27 August 2007	295,499,950	295,499,950
4,000,000	Ordinary Shares of Tk. 10 each issued as bonus (10% stock dividend) share on 27 June 2009	40,000,000	40,000,000
2,200,000	Ordinary Shares of Tk. 10 each issued as bonus (5% stock dividend) share on 26 June 2010	22,000,000	22,000,000
2,310,000	Ordinary Shares of Tk. 10 each issued as bonus (5% stock dividend) share on 7 May 2011	23,100,000	23,100,000
14,553,000	Ordinary Shares of Tk. 10 each issued as bonus (30% stock dividend) share on 25 February 2012	145,530,000	145,530,000
18,918,900	Ordinary Shares of Tk. 10 each issued as bonus (30% stock dividend) share on 26 January 2013	189,189,000	189,189,000
16,396,380	Ordinary Shares of Tk. 10 each issued as bonus (20% stock dividend) share on 17 January 2014	163,963,800	163,963,800
9,837,828	Ordinary Shares of Tk. 10 each issued as bonus (10% stock dividend) share on 16 January 2015	98,378,280	98,378,280
108,216,108		1,082,161,080	1,082,161,080

13.01 Composition of Share Holdings

Name of Shareholders	As at 30 June 2021		As at 30 June 2020	
	No. of Shares	Holding (%)	No. of Shares	Holding (%)
Bangladesh Petroleum Corporation	63,486,782	58.67	63,486,782	58.67
Institutions (Financial & Others)	34,725,497	32.09	33,337,060	30.81
Foreigner	377,544	0.35	-	0.00
Individuals	9,626,285	8.89	11,392,266	10.52
Total	108,216,108	100	108,216,108	100

13.02 Classification of Shares by Holding

Class by number of shares	As at 30 June 2021			As at 30 June 2020		
	No. of Holders	No. of Shares	Holding (%)	No. of Holders	No. of Shares	Holding (%)
Less than or equal 500	7,270	877,504	0.81	7,559	883,627	0.82
501 to 5,000	2,200	3,481,507	3.22	2,367	3,841,557	3.55
5,001 to 10,000	188	1,361,295	1.26	201	1,454,696	1.34
10,001 to 20,000	94	1,355,903	1.25	95	1,393,205	1.29
20,001 to 30,000	32	780,723	0.72	35	872,419	0.81
30,001 to 50,000	30	1,176,771	1.09	37	1,497,648	1.38
50,001 to 100,000	36	2,543,782	2.35	38	2,696,796	2.49
100,001 to 1,000,000	47	12,446,153	11.50	42	11,095,942	10.25
From 1,000,001 and above	8	84,192,470	77.80	8	84,480,218	78.07
	9,905	108,216,108	100	10,382	108,216,108	100



Note(s)	30 June 2021	30 June 2020
	Taka	Taka
14.00 Share Money Deposit		
Opening Balance	49,536,510	49,536,510
Add: Annual Development Program of GOB - Loan	66,525,352	-
	116,061,862	49,536,510
14.a	Conversion of share money deposit is under process and in this regard a committee has been formed. Detailed information regarding share money deposit is stated under note 19.01.	
15.00 General Reserve		
Opening balance	11,755,000.048	9,605,000.048
Transferred during the year	1,500,000.000	2,150,000.000
Closing balance	13,255,000.048	11,755,000.048
16.00 Defined Benefit Obligations - Gratuity		
Opening balance	84,198,926	(5,065,364)
Add: Adjustment for HBFS Loan and interest income of Investment	-	82,764,959
Restated Opening Balance	84,198,926	77,699,595
Add: Provision made during the year	82,676,278	84,198,926
	166,875,204	161,898,521
Less: Payment made during the year	(84,198,926)	(77,699,595)
Closing balance	82,676,278	84,198,926
17.00 Deferred Tax Liabilities		
Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value and tax written down value of property, plant and equipment.		
Opening balance	43,877,273	39,315,654
Add: Provision / (adjustment) made during the year	5,451,032	4,561,619
Closing balance	49,328,305	43,877,273

Reconciliation of deferred tax liabilities/(assets) are as follows-

	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference
	Taka	Taka	Taka
As at 30 June 2021			
Property, plant and equipment - except freehold	1,538,333,781	1,340,525,509	197,808,272
Right to use of Lease Assets	22,951,288	-	22,951,288
Gratuity	82,676,278	(84,198,926)	(1,522,648)
			219,236,912
Applicable tax rate			22.50%
			49,328,305
As at 30 June 2020			
Property, plant and equipment -except freehold *	1,347,070,453	1,171,561,361	175,509,092
Applicable tax rate			25%
Deferred tax liability			43,877,273

*Leasehold land has not been taken into computation since the accounting base and the tax base are same, and no temporary difference exist.

18.00 Depreciation Fund Reserve			
Opening Balance		-	-
Accretion made during the year	18.01	107,094,647	-
Closing Balance		107,094,647	-
Meghna Petroleum Limited depreciation fund has been created as per the resolution of the meeting of the Company's Board of Directors held on 25 August 2019 and meeting no- 579 (17th of 2019).			



Note(s)	30 June 2021	30 June 2020
	Taka	Taka
18.01 Income from Depreciation Fund	6.00	
Earmarked Investment in Standard Bank Ltd as on 30.06.2020	70,278,757	-
Earmarked Investment in Standard Bank Ltd & Mercantile Bank Ltd	77,005,702	-
	147,284,459	-
Less: Portion of Worker's Profit Participation & Welfare Fund	7,364,223	-
	139,920,236	-
Less: Provision for Taxation 24.91% for the year 2020	16,424,145	-
Less: Provision for Taxation 22.42% for the year 2021	16,401,444	-
	107,094,647	-
19.00 Long Term Borrowing		
Opening Balance	64,406,498	74,304,766
Add: Annual Development Program of GOB - Loan	99,788,028	-
Current Portion of Annual Development Program of GOB - Loan	(22,540,744)	(9,898,268)
	141,653,782	64,406,498
19.01	By a letter reference no:20.494.014.01.12.069.2011/279 dated: 23.10.2011 the Planning Commission of Government of Bangladesh directed MPL, POCL & JOCL to construct 03 tanks by each marketing company and exchange one of the tank with each aforesaid marketing company. At the end of such exchange MPL is left with four tanks having storage capacity, cost of construction, year of capitalization as under:	
Description	Number of tanks	Cost (Taka)
-Main Installation 10,000 M.T. each	02 nos cost	Tk 14,56,95,619
-Godenail Depot 8,000 M.T.	01 No cost	Tk 6,58,38,779
-Baghabar Depot 10,000 M.T.	01 No cost	Tk 12,60,74,686
		Year of Capitalization
		2013
		2015
		2014
Out of the total construction cost MPL shall bear 15% whereas GOB shall finance 85%. Out of 85% cost 60% shall be long term loan bearing 5% interest with a grace period of 05 years repayable within 20 years and balance 40% of cost shall be converted as equity of the Company.		
The Company has provided due interest to be paid to GOB and awaiting from a decision for BPC to issue share certificates in respect of 40% of the Cost of Tanks.		
19.02 Current Portion of Long Term Borrowing & Lease Liability		
Opening Balance	9,898,268	-
Add: Current Portion of Annual Development Program of GOB - Loan	22,540,744	9,898,268
Add: Current portion of Lease Liability	10,071,338	-
	42,510,350	9,898,268
Less: Payment during the year	-	-
	42,510,350	9,898,268
20.00 Creditors and Accruals		
For Trading Supplies & Services	42,897,778,270	32,064,159,971
For Expenses	1,749,829,323	2,121,183,090
For Other Finance	5,372,428,024	4,339,815,698
	50,020,035,617	38,525,158,759
20.01 For Trading Supplies & Services:		
BPC	29,692,836,383	19,943,585,826
POCL	175,401,561	253,604,987
JOCL	216,362,149	223,763,149
Tanker Parties	172,027,062	123,307,757
CPA	99,601,613	100,566,899
BP London	9,834,067	9,834,068
Other Parties	12,531,715,435	11,409,497,285
	42,897,778,270	32,064,159,971
21.00 Provision for WPPF and Welfare Fund		
Opening balance	216,141,375	265,989,462
Add: Provision made during the year	191,786,840	216,141,375
	407,928,215	482,130,837
Less: Paid during the year	(216,141,375)	(265,989,462)
Closing balance	191,786,840	216,141,375



Note(s)	30 June 2021	30 June 2020
	Taka	Taka
22.00 Unclaimed Dividend		
Opening balance	113,325,550	76,023,781
Add: Provision made during the year	22.01 1,623,241,620	1,623,241,620
	1,736,567,170	1,699,265,401
Less: Paid / adjusted during the year	22.01 (1,652,669,744)	(1,585,939,851)
Closing balance	83,897,426	113,325,550

22.01 Dividend unclaimed for the years

Year	Balance as on 1 July 2020	Provision	Payment	30 June 2021 Taka	30 June 2020 Taka
2006-2007	3,261,591	-	-	3,261,591	3,261,591
2007-2008	6,433,325	-	-	6,433,325	6,433,325
2008-2009	1,937,601	-	-	1,937,601	1,923,093
2009-2010	1,521,749	-	(38,311)	1,483,438	1,984,060
2010-2011	3,842,462	-	(165,543)	3,676,919	3,842,462
2011-2012	6,503,050	-	(4,192)	6,498,858	6,503,050
2012-2013	11,076,486	-	(16,729)	11,059,757	11,076,486
2013-2014	13,557,701	-	(54,563)	13,503,138	13,557,701
2014-2015	9,187,607	-	(19,260)	9,168,347	8,739,804
2015-2016	8,800,242	-	(16,716)	8,783,526	8,800,242
2016-2017	4,493,696	-	(103,896)	4,389,800	4,493,696
2017-2018	4,678,315	-	(112,038)	4,566,277	4,678,315
2018-2019	38,031,725	-	(33,777,492)	4,254,233	38,031,725
2019-2020	-	1,623,241,620	(1,618,361,004)	4,880,616	-
	113,325,550	1,623,241,620	(1,652,669,744)	83,897,426	113,325,550

* Subsequently Tk. 701,224.13 has been paid from 01 July 2020 to 23 December 2021 to the shareholders. Furthermore out of total unclaimed dividend Tk.70,196,300 for the financial year 2006-2007 to 2016-2017 the company paid Tk. 70,113,319.52 to the Capital Market Stabilization Fund (CMSF) as per notification no. BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June 2021 and Tk. 82,980 to the shareholders.

23.00 Income Tax Payable

Opening balance	972,332,625	1,196,321,771
Add: Provision made during the year	23.01 & 23.02 817,090,905	1,022,944,773
	1,789,423,530	2,219,266,544
Less: Previous year provision transfer during the year*	(24,836,272)	-
Less: Paid/adjusted during the year	(1,024,604,505)	(1,246,933,919)
Closing balance	739,982,753	972,332,625

*Prior year provision (1980 to 2014) adjusted during the year.



23.01 Reconciliation of effective tax rate

	30 June 2021	30 June 2020
	Rate Taka	Rate Taka
Profit before tax	3,643,949,968	4,106,686,134
Total income tax expense	22.42% 817,090,905	24.91% 1,022,944,774

Factors affecting the tax charge:

Factors affecting the tax charge for current year:

Income tax using the Company's domestic tax rate	22.50%	819,888,743	25.00%	1,026,671,534
Difference between accounting and fiscal depreciation	-0.14%	(5,007,973)	-0.11%	(4,561,619)
Difference between gratuity provision and payment	-0.01%	(342,596)	0.00%	-
Inadmissible expenses	0.07%	2,552,731	0.02%	834,859
	22.42%	817,090,905	24.91%	1,022,944,774

23.02 Computation of Current Tax Expenses

Net Profit before Income Tax as per Audited Financial Statements	3,643,949,968
Less: Items for separate consideration	
Non-operating Income	(2,622,095,044)
	1,021,854,924
Add: Expenses for separate consideration	
Accounting depreciation for separate consideration	177,792,692
Provision for Gratuity	82,676,278
Entertainment	2,071,794
	262,540,764
	1,284,395,688
Less: Allowable expenses	
Tax depreciation u/s 29 (1) (viii) of the ITO, 1984	(200,050,348)
Payments of Gratuity	(84,198,926)
	(284,249,274)
	1,000,146,414
Add: Inadmissible Expenses	
Subscription and CSR	11,345,470
Business Income for the current year	1,011,491,884
Allowable entertainment expenses	(2,071,794)
Taxable business income	1,009,420,090
Other Income for the current year	2,622,095,044
Taxable income	3,631,515,134

Tax Payable on Taxable Income	Rate	Taxable Income	Provision for Tax
On Business Income	22.50%	1,009,420,090	227,119,520
On Other Income	22.50%	2,622,095,044	589,971,385
Income Tax payable			817,090,905

Current Tax Charge During the Year

	Rate	30 June 2021	30 June 2020
		Taka	Taka
i) Calculation of Regular Tax Liability			
On Taxable Income	22.50%	227,119,520	1,826,061,165
On Other Income	22.50%	589,971,385	(803,116,392)
On Dividend Income	20.00%	-	-
Total Regular Tax Expenses		817,090,905	1,022,944,773
ii) Minimum Tax U/S 82 C (2) (3) (4) A		30,676,408	32,911,612
iii) Advance Income Tax		641,119,488	713,986,232

Current Tax liability U/S 82 C (8)

(higher one among i, ii and iii)	817,090,905	1,022,944,773
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	Note(s)	01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
24.00 Gross Earnings on Petroleum Products			
Turnover	24.02	177,823,341,755	154,542,359,463
Less: Cost of goods sold	24.02	(175,552,516,477)	(152,543,934,203)
		2,270,825,278	1,998,425,260

24.01 Gross Earnings on Petroleum Product

01 July 2020 to 30 June 2021				01 July 2019 to 30 June 2020		
Products	Gross Earnings	Operational Gain/(Loss)	Net Earnings	Gross Earnings	Operational Gain/(Loss)	Net Earnings
Major Products						
MS	123,055,863	(18,375,768)	104,680,095	238,466,400	(6,894,783)	231,571,617
HOBC	92,831,390	9,690,228	102,521,618	70,119,018	10,397,521	80,516,539
HSD	979,571,354	47,189,587	1,026,760,941	877,878,671	77,101,388	954,980,059
FO	170,604,512	17,662,788	188,267,300	112,958,706	17,727,996	130,686,702
M.F/LSFO	3,837,842	764,077	4,601,919	-	-	-
SKO	30,762,010	3,360,611	34,122,621	39,886,794	8,103,174	47,989,968
JBO	3,189,466	1,573,607	4,763,073	3,093,710	1,956,071	5,049,781
MTT	1,282,976	15,624	1,298,600	4,128,025	148,604	4,276,629
SBPS	-	-	-	-	-	-
Sub Total	1,405,135,413	61,880,755	1,467,016,168	1,346,531,324	108,539,971	1,455,071,295
Minor Products						
Lubricants	841,998,401	-	841,998,401	639,284,650	(1,156,284)	638,128,366
LPG (Cylinder)	6,462,031	(749,665)	5,712,366	6,914,622	(502,716)	6,411,906
Bitumen	17,229,433	-	17,229,433	5,694,664	-	5,694,664
Sub Total	865,689,865	(749,665)	864,940,200	651,893,936	(1,659,000)	650,234,936
Grand Total	2,270,825,278	61,131,091	2,331,956,369	1,998,425,260	106,880,970	2,105,306,231

24.02 Turnover and Cost of Goods Sold

01 July 2020 to 30 June 2021				01 July 2019 to 30 June 2020		
Products	Quantity MT	Turnover Tk.	Cost of Goods Sold Tk.	Quantity MT	Turnover Tk.	Cost of Goods Sold Tk.
Major Products						
MS	125,447	14,519,431,957	(14,396,376,094)	106,874	12,467,610,395	(12,229,143,995)
HOBC	116,783	13,401,386,839	(13,308,555,449)	101,935	11,653,673,937	(11,583,554,919)
HSD	1,802,152	132,790,867,025	(131,811,295,671)	1,596,765	116,528,775,735	(115,650,897,064)
FO	199,266	7,965,925,521	(7,795,321,009)	124,444	5,534,013,979	(5,421,055,273)
M.F/LSFO	4,860	231,884,944	(228,047,102)	-	-	-
SKO	33,513	2,691,780,862	(2,661,018,852)	37,735	3,012,676,118	(2,972,789,324)
JBO	4,610	480,444,270	(477,254,804)	4,672	482,180,983	(479,087,273)
MTT	437	42,407,576	(41,124,600)	1,438	135,931,890	(131,803,865)
SBPS	-	-	-	-	-	-
Sub Total	2,287,068	172,124,128,994	(170,718,993,581)	1,973,863	149,814,863,037	(148,468,331,713)
Minor Products						
Lubricants	10,595	4,459,402,654	(3,617,404,253)	9,680	4,035,867,644	(3,396,582,994)
LPG (Cylinder)	3,746	157,876,562	(151,414,531)	3,773	188,012,779	(181,098,157)
Bitumen	26,535	1,081,933,545	(1,064,704,112)	8,764	503,616,003	(497,921,339)
Sub Total	40,875	5,699,212,761	(4,833,522,896)	22,217	4,727,496,426	(4,075,602,490)
Grand Total	2,327,944	177,823,341,755	(175,552,516,477)	1,996,080	154,542,359,463	(152,543,934,203)



24.03 Net Operational Gains/Loss

LOCATIONS	SES		HORC		LSFO		HRSD		PD		SICO		MTT		JBO		LPG/LIB/BTR/D		TOTAL	
	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka	VOL. In Ltr	Taka
Main Installation	102,887	(13,024,643)	50,415	7,535,529	15,185	794,577	775,747	47,328,124	218,417	8,843,790	44,295	3,762,100	40	2,608	7,116	631,655	(718)	(239,155)	1,668,946	34,373,338
Marble Of Instalal	-	-	-	-	-	-	30,000	3,077,344	(1,200)	(19,815)	-	-	-	-	-	-	-	-	40,246	3,126,429
Chandpur	-	-	-	-	-	-	27,275	1,670,149	-	-	3,952	375,622	-	-	-	-	-	-	33,947	2,461,775
Dudupur	46,114	3,319,230	37,004	3,032,312	-	-	133,023	8,113,313	181,798	6,386,384	22,124	3,373,013	-	-	5,034	884,571	(149)	(65,591)	422,842	21,736,686
Jadokati	8,588	686,376	-	-	-	-	37,865	2,311,574	-	-	4,512	291,998	-	-	-	-	(87)	(63,166)	31,237	3,258,384
Gokul	8,343	669,230	37,796	1,674,177	-	-	46,100	2,690,652	63,238	2,283,318	1,805	485,081	-	-	-	-	(5)	(1,621)	141,187	7,390,993
Bogachari	(64,255)	(5,157,830)	18,450	(313,311)	-	-	(140,654)	(8,586,980)	-	-	(7,564)	(301,922)	-	-	(957)	(371,580)	(371,580)	(371,580)	(15,291,252)	
Burrah	-	-	-	-	-	-	10,667	2,176,044	-	-	1,835	486,488	-	-	-	-	(3)	(1,911)	43,561	2,662,191
Sourmargal	2,681	214,373	1,516	123,516	-	-	11,720	751,037	-	-	2,183	134,477	-	-	-	-	(10)	(6,233)	18,690	1,186,250
Faizlakh	(2,891)	(107,066)	3,071	254,663	-	-	63,721	2,716,028	-	-	9,661	413,362	132	1,676	5,031	497,501	(2)	(700)	37,666	3,089,032
Bachal	-	-	3,629	284,127	-	-	40,232	2,433,779	-	-	2,135	132,278	-	-	-	-	(5)	(2,170)	47,808	2,891,105
Chibran	-	-	-	-	-	-	(4,464)	(271,349)	-	-	-	-	-	-	-	-	-	-	11,014	(572,509)
Borain	-	-	-	-	-	-	(2,284)	(376,373)	-	-	-	-	-	-	-	-	(11)	(5,400)	(2,281)	(141,016)
Narain	-	-	-	-	-	-	4473	126,661	-	-	-	-	-	-	-	-	-	-	1473	(20,661)
U.P.D	3,620	248,034	2,568	211,127	-	-	1,631	84,244	-	-	-	-	-	-	-	-	(3)	(11,570)	7,196	354,250
Parbatpur	(172,791)	(12,980,829)	(14,196)	(1,175,402)	-	-	(110,805)	(6,740,611)	-	-	(2,186)	(152,941)	-	-	-	-	-	-	(54,328)	(1,090,855)
Mongla Bazar	(20,786)	(1,682,049)	(11,381)	(976,174)	-	-	432,243	(9,888,739)	-	-	(32,963)	(2,478,873)	-	-	-	-	(12)	(3,660)	(234,770)	(15,001,833)
Haziganj	(14,876)	(779,213)	(8,170)	(584,526)	-	-	(7,865)	(479,384)	-	-	40	2,823	-	-	-	-	-	-	(21,659)	(1,305,758)
Bagra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - 2024-2025	(123,812)	(10,375,260)	116,547	9,690,228	16,185	964,077	733,473	47,180,507	487,539	17,643,798	54,118	3,306,411	212	15,524	17,503	1,573,687	(2,610)	(7,648.5)	1,221,484	41,131,891
Total - 2015-2020	(194,295)	(14,474,755)	117,264	9,842,341	16,577,218	25,292,295	1,846,240	64,300,663	181,825	24,111,264	138,334	3,587,380	3,187	212,877	29,136	2,559,231	(1,567)	(901,886)	1,751,921	186,880,970

*Products loss at Mongla Bazar rail head depot by Bangladesh Railway raised operation loss quantity and amount.



24.04 Quantitative Reconciliation with value of Petroleum, Oil and Lubricant Products are as follows :

Product	Opening Inventory as at 01 July 2020	Purchase	Operation Gain/(Loss)	Transit Gain/(Loss)	Sub Total	Sales at Natural	Conversion Gain/(Loss)	Sales at 30°C	Closing Inventory as at 30 June 2021	Average Unit price Taka	Value of Closing Inventory as at 30 June 2021
1	2	3	4	5	6=(2+3+4+5)	7	8	9=(7-8)	10=(6-9)	11	10=(10*11)
MS (In Liter)	5,329,051	183,000,760	(229,812)	(420,539)	187,679,460	178,511,556	(412,661)	178,924,217	8,755,243	79.96	700,069,231
HOBC (In Liter)	6,466,059	160,031,614	116,947	(280,747)	166,333,873	159,759,806	(297,259)	160,057,065	6,276,808	82.86	520,096,311
HSD (In Liter)	193,287,537	2,118,301,363	773,473	(3,308,995)	2,309,053,378	2,137,351,909	(1,727,813)	2,139,079,722	169,973,656	61.01	10,370,092,690
FO (In Liter)	25,169,881	193,739,381	482,539	(100,859)	219,290,942	215,606,236	1,161,248	214,444,988	4,845,954	39.45	377,590,637
SKO (In Liter)	11,016,054	40,087,469	54,151	(55,528)	51,102,146	42,494,498	(54,368)	42,548,866	8,553,280	62.06	191,172,885
MIT	-	557,788	212	-	558,000	558,000	-	558,000	-	-	530,816,557
LSFO (In Lit)	-	11,100,431	16,186	-	11,116,617	5,258,162	205	5,257,957	5,858,660	64.45	-
JBO (In Liter)	2,023,185	4,790,502	17,803	(9,441)	6,822,049	5,342,800	(4,579)	5,347,379	1,474,670	88.93	131,141,088
TOTAL	243,291,767	2,711,609,308	1,231,499	(4,176,109)	2,951,956,465	2,744,882,967	(1,335,227)	2,746,218,194	205,738,271	-	12,820,979,399
LPG (Cylinder)	5,040	295,680	(425)	-	300,295	299,693	-	299,693	602	500	300,940
Bitumen(In MT)	1,316	25,283	-	-	26,599	26,535	-	26,535	64	47,482	3,038,876

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



Note(s)	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Taka	Taka
24.05 Other Operating Income		
Handling commission service charges & others	197,433,060	243,571,573
Transshipment gain/ (loss) from Tanker operation	10,013,612	18,300,201
Earning from Meghna Model Service Center	12,367,634	12,506,143
	219,814,306	274,377,917
25.00 Administrative, Selling & Distribution Expenses		
Salaries	414,694,392	404,717,692
Employees welfare & Benefits	129,542,496	134,727,316
General expenses	185,703,155	176,816,908
Travel, Conveyance and Vehicle expenses	45,627,547	46,599,316
Rent, Rates, Taxes and Insurance	33,465,419	41,645,608
Repairs and Maintenance	12,556,451	15,799,221
Printing, Stationery and Office expenses	11,262,535	10,380,508
Postage, Telegram, Telephone & Telex	3,555,518	3,188,607
BPC rest house, Training center, Board meeting & Other expenses	8,035,481	8,010,982
Legal and Professional expenses	1,294,740	1,693,167
Entertainment	2,071,794	2,897,402
Advertisement and Sales promotion expenses	3,649,291	3,585,611
BPC service charge	700,000	700,000
Auditors' Remuneration	279,500	372,000
Directors' fees	2,928,000	1,456,000
Subscription and CSR	11,345,470	3,339,434
Product consumed for own utilities	4,659,506	4,938,598
Depreciation	177,792,692	154,140,589
Amortization/ Depreciation of Lease	10,623,868	-
Goodwill Amortization	-	8,308,470
	1,059,787,855	1,023,317,429
26.00 Financial Expenses		
Bank Charges	1,491,924	624,738
Interest on Lease Assets	534,003	-
Interest on Workers' Profit Participation & Welfare Fund	132,704,882	123,302,512
	134,730,809	123,927,250
27.00 Interest Expenses through BPC		
Refined products	138,303,337	120,324,748
Bitumen	5,306,910	1,752,777
	143,610,247	122,077,525
28.00 Non Operating Income		
Interest on Bank Deposits	2,418,438,749	3,043,364,347
Interest on house building & land purchase finance scheme	-	3,600,748
Profit on disposal of Vehicles	-	241,999
Receipts against Jetty throughput charges from third parties	9,880,743	15,948,840
Other Receipts	193,775,552	149,309,632
	2,622,095,044	3,212,465,566
29.00 Earnings Per Share (EPS)		
The composition of Earnings Per Share (EPS) is given below:		
a) Earnings attributed to ordinary shareholders during the year	2,821,408,031	3,079,179,742
b) Number of ordinary shares at the year end	108,216,108	108,216,108
Earnings Per Share (EPS) - Basic	26.07	28.45



30.00 Net Asset Value Per Share (NAV)

Total Assets
Less: Liabilities (*)
Net asset value (NAV)
Number of ordinary shares outstanding during the year
Net Assets Value (NAV) Per Share - (Basic)

30 June 2021	30 June 2020
Taka	Taka
68,661,666,512	56,068,533,048
(51,357,780,975)	(40,029,339,274)
17,303,885,537	16,039,193,774
108,216,108	108,216,108
159.90	148.21

*During the year ended 30 June 2021 Share Money Deposit amounting to Taka 116,061,862 by Government treated as non equity fund and considered as liability.

31.00 Net operating cash flow per share

Net operating cash flows (from statement of cash flows)
Number of ordinary shares outstanding during the year
Net operating cash flow per share

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
12,407,154,939	(3,006,150,080)
108,216,108	108,216,108
114.65	(27.78)

32.00 Reconciliation of cash flows from operating activities

Profit before income tax	3,643,949,968	4,106,686,134
Adjustment for		
Depreciation charged	177,792,692	154,140,589
Amortization charged	10,623,868	8,308,470
Financial Expenses	134,730,809	123,927,250
Interest Expenses through BPC	143,610,247	122,077,525
Non-operating Income	(2,622,095,044)	(3,212,465,566)
	(2,155,337,428)	(2,804,011,732)
(Increase)/decrease in Current Assets		
Advances, deposits and prepayments (Net of AIT)	(391,363,293)	(58,166,405)
Inventories	1,475,665,030	(1,336,063,150)
Trade and Other receivables	(3,001,938,968)	20,369,107,330
Increase/(decrease) in Current Liabilities		
Defined Benefit Obligation - Gratuity	(1,522,648)	89,264,290
Creditors and accruals	11,494,876,858	(25,240,682,210)
Provision for WPPF and Welfare Fund	(24,354,535)	(49,848,087)
	9,551,362,444	(6,226,388,232)
	11,039,974,984	(4,923,713,830)
Cash Received from Non-Operating Income	2,622,095,044	3,212,465,566
Cash Payment for Financial Expenses		
Financial Expenses	(134,730,809)	(123,927,250)
Interest Expenses through BPC	(143,610,247)	(122,077,525)
	(278,341,056)	(246,004,775)
Income tax paid		
Provision made during the year	(232,349,872)	(223,989,146)
Increase in Provision for tax	(817,090,905)	(1,022,944,773)
Increase in advance income tax	72,866,744	198,036,878
	(976,574,033)	(1,048,897,041)
Net cash flows generated by operating activities	12,407,154,939	(3,006,150,080)



33.00 Related Notes for Statement of Cash Flows

Cash flows from operating activities

33.01 Cash Received from Customers

		01 July 2020 to 30 June 2021 Taka	01 July 2019 to 30 June 2020 Taka
Turnover	24.00	177,823,341,755	154,542,359,463
Net Operational Gain/(Loss)	24.03	61,131,091	106,880,970
Other Operating Income	24.05	219,814,306	274,377,917
Increase/(Decrease) - Advance against sales		-	(120,093,361)
(Increase)/Decrease - Accounts Receivables	10.00	(3,001,938,968)	20,369,107,330
		<u>175,102,348,184</u>	<u>175,172,632,319</u>

33.02 Cash Paid to Suppliers, Employees and Others

Cost of Sales	24.02	(175,552,516,477)	(152,543,934,203)
(Increase)/Decrease in Inventory	9.00	1,475,665,030	(1,336,063,150)
Increase/(Decrease) in Creditors & Accruals (Supplies)	20.00	10,833,618,299	(25,744,639,706)
		<u>(163,243,233,148)</u>	<u>(179,624,637,059)</u>

33.03 Cash Paid for operating other expenses

Administrative, Selling and Distribution Expenses	25.00	(1,059,787,855)	(1,023,317,429)
Increase/(Decrease) in Creditors & Accruals (For expenses)	20.00	(371,353,767)	276,962,842
Increase/(Decrease) in Creditors & Accruals (For finance)	20.00	1,032,612,326	347,088,015
(Increase)/Decrease in Advances, Deposits and Pre-payments	11.00	(318,496,549)	139,870,473
Advance Income Tax	11.01.02	(72,866,744)	(198,036,878)
Goodwill amortization	25.00	-	8,308,470
Amortization/Depreciation of Lease	25.00	10,623,868	-
Depreciation	25.00	177,792,692	154,140,589
Provision for Gratuity	16.00	82,676,278	166,963,885
Paid to Gratuity Fund	16.00	(84,198,926)	(77,699,595)
Paid to WPPF	21.00	(216,141,373)	(265,989,462)
		<u>(819,140,052)</u>	<u>(471,709,090)</u>
		<u>(164,062,373,200)</u>	<u>(180,096,346,149)</u>

33.04 Cash Received from Non-Operating Income

	28.00	2,622,095,044	3,212,465,566
		<u>2,622,095,044</u>	<u>3,212,465,566</u>

33.05 Cash Payment for Financial Expenses

Financial Expenses	26.00	(134,730,809)	(123,927,250)
Interest Payable to BPC	27.00	(143,610,247)	(122,077,325)
		<u>(278,341,056)</u>	<u>(246,004,775)</u>

33.06 Income Tax Paid

Increase/(decrease) in Provision for tax	23.00	(232,349,872)	(223,989,146)
Provision made during the period	23.01	(817,090,905)	(1,022,944,773)
(Increase)/decrease in advance for tax	11.01.02	72,866,744	198,036,878
		<u>(976,574,033)</u>	<u>(1,048,897,041)</u>

Net Cash Generated by Operating Activities

	<u>12,407,154,939</u>	<u>(3,006,150,080)</u>
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Cash flows from investing activities

33.07 Capital Expenditure

Depreciation Fund	6.00	(1,366,743,580)	-
Increase in ROU of Lease Assets	4.03	(15,980,962)	-
Addition in Capital work-in-progress	5.00	(348,071,919)	(173,364,861)
		<u>(1,730,796,461)</u>	<u>(173,364,861)</u>

33.08 Short Term & Long Term Investment

	8 & 7	(6,255,870,733)	2,399,101,012
		<u>(7,986,667,194)</u>	<u>2,225,736,151</u>

Net cash (used in)/generated by investing activities

Cash flows from financing activities

33.09 Share Money Deposit

	14.00	66,525,352	-
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33.10 (Repayment)/Receipt of Long term loan

	19.00	99,788,028	-
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33.11 Payment of Lease

	3.04.01	(11,157,871)	-
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33.12 Increase in Lease Liability

	3.04.01	15,980,962	-
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33.13 Dividend paid

	22.00	(1,652,669,744)	(1,585,939,851)
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Net cash provided by/(used in) financing activities

	<u>(1,481,533,273)</u>	<u>(1,585,939,851)</u>
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34.00 Auditors' Remuneration

	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Taka	Taka
Audit Fee (Statutory)	200,000	180,000
Provident Fund	15,000	15,000
Gratuity Fund	15,000	15,000
WPP and WF	12,000	12,000
BPC Reconciliation	37,500	150,000
	279,500	372,000

34.01 During the period ended 30 June 2021, there were 37 Board Meeting Held and The Attendance status of all the meeting as follows:

Sl	Name of The Directors	Position	Meeting Held	Attendance	Remuneration Per Meeting	Total Amount
1	Mr. Anisur Rahman	Chairman	37	37	8,000	296,000
2	Mr. Md Ruhul Amin	Former Director	37	4	8,000	32,000
3	Mrs. Selina Akter	Former Director	37	37	8,000	296,000
4	Mr. Syed Mehdi Hasan	Director	37	37	8,000	296,000
5	Mr. SK, Mohammad Belayet Hossain	Director	37	37	8,000	296,000
6	Mr. Sudhangshu Shkhar Biswas	Former Independent Director	37	4	8,000	32,000
7	Mr. A.K.M Jashim Uddin	Former Independent Director	37	4	8,000	32,000
8	Mr. Mohammad Istiaq Ahmed Shimul	Former Director	37	10	8,000	80,000
9	Mr. Anwarul Hoque	Former Shareholder Director	37	27	8,000	216,000
10	Mr. Asmaul Hossain	Independent Director	37	33	8,000	264,000
11	Mr. Khalilur Rahman	Independent Director	37	33	8,000	264,000
12	Mr. Shah Md. Kamrul Huda	Director	37	33	8,000	264,000
13	Mr. Abul Fazal Md. Nafiul Karim	Director	37	26	8,000	208,000
14	Mr. Sultan-UL-Arefin Molla	Former Shareholder Director	37	7	8,000	56,000
15	Mr. Saifullah Al-Khaled	Former Shareholder Director	37	37	8,000	296,000
Total						2,928,000

35.00 Remuneration of Managing Director, Managers & Officers

	01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
	Managing Director	Managers & Officers	Managing Director	Managers & Officers
Salary, Allowances & Bonus	1,239,138	124,892,727	1,353,873	123,383,115
<u>Housing</u>				
Rental	550,728	48,952,994	550,728	48,174,548
Utilities	258,939	18,353,598	254,983	18,386,651
	809,667	67,306,592	805,711	66,561,199
Leave Encashment	-	2,766,426	-	3,206,496
Provident Fund	-	8,370,387	-	8,208,235
	2,048,805	203,336,132	2,159,584	201,359,045



35.01 House Rent

Managers and Officers are paid cash allowance.

35.02 Transport

- (i) The Managing Directors are provided with free use of Company's car.
- (ii) Other Managers and some officers are enjoying cash loan facilities, subject to limit.
- (iii) Other Officers are paid cash allowances.

35.03 Telephone

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

35.04 Medical

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

35.05 Insurance

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

35.06 Remuneration

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

36.00 Key management personnel compensation

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

	30 June 2021	30 June 2020
	Taka	Taka
Short term employee benefits	3,140,550	2,991,000
Post employment benefits	60,783,367	63,729,463
Other long term benefit	-	-
Termination benefit	-	-
Share-based payment	-	-
	<u>63,923,917</u>	<u>66,720,463</u>

Key management personnel compensation includes benefits for employees of the rank of General Manager and above. No remuneration is given to the Board of Directors apart from attendance fees in accordance with Board and Board Sub Committee meetings.

37.00 Employees

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

	30 June 2021	30 June 2020
	Number in Figure	
	-	-
	395	410
	<u>395</u>	<u>410</u>

38.00 Value of Imports at C&F Basis

Raw & Packing materials & Finished Products

	3,596,778,296	2,900,254,713
	<u>3,596,778,296</u>	<u>2,900,254,713</u>



39.00 Related Party Transactions

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. 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 Party/Company	Relationship	Nature of Transactions	Balance as on 30 June 2021	Balance as on 30 June 2020
Bangladesh Petroleum Corporation	Parent Concern	Procurement of Petroleum products, Base oil & Bitumen	42,873,223,009 (Cr.)	33,360,746,018 (Cr.)
Bangladesh Petroleum Corporation	Parent Concern	Transaction made on behalf of BPC	10,768,041,847 (Dr.)	7,449,701,260 (Dr.)
Padma Oil Company Limited	Subsidiary of BPC	Product Supply on behalf of BPC & Others	132,967,155 (Cr.)	217,535,253 (Cr.)
Jamuna Oil Company Limited	Subsidiary of BPC	Product Supply on behalf of BPC & Others	177,819,449 (Cr.)	188,369,777 (Cr.)
Standard Asiatic Oil Company Limited	Subsidiary of BPC	Blending of Lube & Others	577,64,188 (Cr.)	44,080,462 (Cr.)
Eastern Lubricants Blenders Limited	Subsidiary of BPC	Blending of Lube & Others	2,671,400 (Cr.)	21,695,025 (Cr.)
Liquefied Petroleum Gas Limited	Subsidiary of BPC	Product Supply & Others	25,857,898 (Cr.)	17,246,332 (Cr.)
Eastern Refinery Limited	Subsidiary of BPC	Product Supply on behalf of BPC & Others	6,333,657 (Dr.)	61,114,537 (Dr.)

Details of transactions

Name of Party/Company	Opening Balances	Provided during the year	Adjusted during the year	Closing Balance
Bangladesh Petroleum Corporation	33,360,746,018 (Cr.)	158,158,645,918 (Dr.)	167,671,122,909 (Cr.)	42,873,223,009 (Cr.)
Bangladesh Petroleum Corporation	7,449,701,260 (Dr.)	256,220,508,194 (Dr.)	22,303,717,607 (Cr.)	10,768,041,847 (Dr.)
Padma Oil Company Limited	217,535,253 (Cr.)	195,408,894 (Dr.)	110,840,795 (Cr.)	132,967,155 (Cr.)
Jamuna Oil Company Limited	188,369,777 (Cr.)	44,672,253 (Dr.)	34,121,925 (Cr.)	177,819,449 (Cr.)
Standard Asiatic Oil Company Limited	44,080,462 (Cr.)	533,289,809 (Dr.)	546,973,535 (Cr.)	577,64,188 (Cr.)
Eastern Lubricants Blenders Limited	21,695,025 (Cr.)	112,758,906 (Dr.)	93,735,280 (Dr.)	2,671,400 (Cr.)
Liquefied Petroleum Gas Limited	17,246,332 (Cr.)	1,402,928,867 (Dr.)	148,904,432 (Cr.)	25,857,898 (Cr.)
Eastern Refinery Limited	61,114,537 (Dr.)	275,030 (Dr.)	55,910 (Cr.)	6,333,657 (Dr.)

40.00 Guarantee

There was no guarantee to third party on 30 June 2021.



41.00 Capital expenditure commitment

Second revised Development Project Proposal (RDPP) prepared with the consultation of BRTC -BUET and send to Ministry on 02.12.2021 for approval of construction of 19 storied "Meghna Bhaban" company's head office at plot 72 at Agrabad Commercial Area Chattogram. The company has also made capital expenditure commitment in various project Taka 369,264,862 as on 30 June 2021.

42.00 Contingent Liabilities

i) Status of pending litigation with the Income Tax authority

A demand notice amounting Tk. 22,316,642 including Tk. 161,548 as interest has been issued by Tax Commissioner (Appeal) vide order no. 18/cir against income year 2014-2015 (Which is still pending).

ii) Status of pending litigation with the VAT Authority

VAT authority by the letter ref. 1467(1-10) dated 31.10.21 for the year ended 2019-2020 place their demand/refund or adjustment of VAT claim. The company has taken the claim into consideration for immediate settlement through negotiation and finalization of the claim and expecting to resolve within the next financial year.

43.00 Events after reporting period

The Board of Directors in their meeting held on 29 December 2021 recommended 150% cash dividend (Tk. 162,32,41,620) and transfer of Tk. 110,00,00,000 to General Reserve for the year ended on 30 June 2021.

44.00 Financial risk management

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the company's policies for controlling risks and exposures.

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

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

44.01 Credit risk

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

44.02 Exposure to credit risk

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

	30 June 2021	30 June 2020
	Taka	Taka
Trade and other receivables	11,703,764,486	8,701,825,518
Advance, deposit & prepayments	2,064,826,889	1,746,206,405
Short Term Investments-Depreciation Fund	1,366,743,580	-
Long Term Investment	3,000,938,355	-
Cash and bank balance	23,264,000,383	20,325,045,911
Short Term Investment	11,862,391,007	8,607,458,629
	53,262,664,700	39,380,536,463



44.03 Ageing of Trade Receivable

Upto 6 months
Over 6 months but less than 12 months
12 months or above

30 June 2021	30 June 2020
Taka	Taka
978,087,719	978,087,719
128,461,944	128,461,944
196,133,274	196,133,274
1,302,682,937	1,302,682,937

44.04 Credit exposure by credit rating

Trade and Other Receivables
Advances, Deposits and Pre-payments
Cash and Cash Equivalents and FDR

As at 30 June 2021		
Credit rating	Taka	(%)
	11,703,764,486	21.97%
	2,064,826,889	3.88%
	39,494,073,325	74.15%
	53,262,664,700	100.00%
	4,075,000	0.01%
	39,489,998,325	74.14%

44.04.01 Cash in Hand

Cash at Bank and FDR

AB Bank Limited	A+	1,802,921,645	4.57%
Agrani Bank Limited	A+(AAA)	2,762,636,938	7.00%
Bangladesh Commerce Bank Limited	BBB-	-	0.00%
Bangladesh Krishi Bank		150,501,370	0.38%
Bank Asia Limited	AA2	94,089,335	0.24%
Basic Bank Limited	B+(A+)	1,962,533,223	4.97%
CITI Bank N.A. Limited	A+, Aa3, A+	13,667,514	0.03%
Dutch Bangla Bank Limited	AA+	20,552,861	0.05%
Eastern Bank Limited	AA+	1,673,524,238	4.24%
First Security Islami Bank Limited	A+	7,750,534,126	19.63%
HSBC Bank Limited	AAA	191	0.00%
IFIC Bank Limited	AA	1,485,280,319	3.76%
Janata Bank Limited	A(AAA)	764,124,382	1.93%
Mercantile Bank Limited	AA	3,653,423,856	9.25%
National Bank Limited	AA	1,861,441,924	4.71%
NRB Bank Ltd.	A-	373,856	0.00%
NRB Commercial Bank Limited	A	327,913,688	0.83%
Global Islami Bank Limited	A+	3,119,803,180	7.90%
NCC Bank Limited	AA	244,286,101	0.62%
One Bank Limited	AA	2,773,593,416	7.02%
Pubali Bank Limited	AA+	810,461,448	2.05%
Padma Bank Limited	NR	97,669,959	0.25%
Rupali Bank Limited	A+(AAA)	1,500,441,096	3.80%
SBAC Bank Limited	A3	-	0.00%
Standard Bank Limited	AA	611,650,875	1.55%
Sonali Bank Limited	A(AAA)	2,054,857,861	5.20%
Southeast Bank Limited	AA	475,918,700	1.21%
Standard Chartered Bank Limited	AAA	197,571,654	0.50%
The City Bank Limited	AA2	212,462,699	0.54%
Union Bank Limited	A+	2,155,621,923	5.46%
United Commercial Bank Limited	AA	207,352,111	0.53%
Uttara Bank Limited	AA	471,232,860	1.19%
Premier Bank Limited	AA+	50,460,274	0.13%
Prime Bank Limited	AA	183,094,702	0.46%



44.05 Liquidity risk

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

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

	30 June 2021	30 June 2020
	Taka	Taka
Creditors and Accruals	50,020,035,617	38,525,158,759
Provision for WPPF and Welfare Fund	191,786,840	216,141,375
Unclaimed Dividend	83,897,426	113,325,550
	50,295,719,883	38,854,625,684

44.06 Market risk

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

44.07 Currency risk

The company is exposed to currency risk on certain revenues and purchases of raw materials and equipment. Company's foreign currency transactions are denominated in USD and relate to import of capital machinery and raw materials.

44.08 Exposure to currency risk

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

44.09 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. However the company do not have any outstanding bank borrowings on the reporting date except a long term borrowings from Government which interest rate is fixed and interest rate risk is insignificant.

45.00 Effect of COVID-19 on the financial statements:

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

A. Assessment of going concern assumption

B. Valuation of inventories

A. Assessment of going concern assumption:

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

B. Valuation of inventories:

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



Assessment:

During the year due to outbreak of COVID-19, the sales of POL & Lube products of 1st quarter dropped drastically as a result commission income also dropped. It has adversely affected the profitability during the year 2020-2021 and as a result, the profit for the year 2020-21 is lower than the prior year (2019-20). But it is observed that after the balance sheet date, despite of the existence of COVID-19, the revenue is increasing and showing a trend like before COVID-19 situation.

46.00 Significant Deviation in Earning per Share (EPS):

Due to outbreak of COVID-19 operation become slow down and decrease in deposit interest rate the company's revenue has fallen down in comparison with previous year and as a consequence Earning Per Share (EPS) decreased comparing with the previous year.

46.01 Significant Deviation in Net Operating Cash Flow Per Share (NOCFPS):

During the year net operating cash flow per share increased significantly due to payment made to supplier employees and others were reduced by Tk.16,853,113,001 in company with previous year.

47.00 GENERAL

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

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


Company Secretary


General Manager (A & F)


Managing Director


Director


Chairman

