



সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড
CVO Petrochemical Refinery Limited

1st QUARTER FINANCIAL STATEMENT
(UN-AUDITED)

for the period ended 30 September 2020

REGISTERED & CORPORATE OFFICE:
37, Katalgonj, Panchlaish, Chittagong.
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CVO Petrochemical Refinery Limited

STATEMENT OF FINANCIAL POSITION (Un-Audited)
AS AT 30 SEPTEMBER 2020

	Notes	30-Sep-20 Taka	30-Jun-20 Taka
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	5	441,602,141	448,019,361
Investment in Shares	6	3,948,750	3,663,867
Current Assets			
Inventories	7	1,423,730	32,259,733
Accounts Receivable	8	5,342,270	111,069,235
Advances, Deposits and Prepayments	9	79,165,022	70,752,116
Cash and Cash Equivalents	10	1,806,043	1,810,081
TOTAL ASSETS		533,287,956	667,574,393
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital		252,450,000	252,450,000
Share Premium		37,500,000	37,500,000
Tax Holiday Reserve		73,667,289	73,667,289
Fair Value Adjustment Reserve		(205,802)	(2,110,719)
Retained Earnings		(27,763,447)	(10,563,169)
Non-Current Liabilities			
Deferred Tax Liabilities	11	45,761,627	44,616,565
Current Liabilities			
Short Term Loan	12	122,355,054	225,562,264
Provision for Income Tax	13	11,945,636	11,734,611
Accounts Payable	14	6,959,253	9,382,753
Other Payables	15	10,618,346	25,334,799
TOTAL EQUITY AND LIABILITIES		533,287,956	667,574,393
NET ASSETS VALUE (NAV) PER SHARE	21	13.30	13.90


Company Secretary


CFO (Acting)


Md Anwar
Director


Managing Director


Chairman



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CVO Petrochemical Refinery Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-Audited)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	Notes	30-Sep-20 Taka	30-Sep-19 Taka
Net Turnover	16	34,391,322	206,812,403
Cost of Goods Sold	17	(40,227,129)	(189,496,876)
Gross Profit/(Loss)		(5,835,807)	17,315,527
Operating Expenses:			
General and Administrative		(4,384,912)	(6,888,960)
Selling & Distribution		(281,370)	(1,415,440)
Financial Expenses		(3,726,485)	(3,412,500)
		(8,392,767)	(11,716,900)
Operating Profit/(Loss)		(14,228,574)	5,598,627
Other Income/(Loss)		(1,615,617)	61,704
Profit/(Loss) Before Contribution to WPPF & Welfare Fund		(15,844,191)	5,660,331
Contribution to WPPF & Welfare Fund		-	(269,540)
Profit/(Loss) Before Tax		(15,844,191)	5,390,791
Provision for Tax:			
Current tax	13	(211,025)	(1,241,880)
Deferred tax	11.1	(1,145,062)	(1,679,064)
		(1,356,087)	(2,920,944)
Net Profit/(Loss) After Tax		(17,200,278)	2,469,847
Other Comprehensive Income:			
Profit/(Loss) on Investment in Shares (Unrealized)	18	1,904,917	(500,456)
Total Comprehensive Income		(15,295,361)	1,969,391
Earnings per Share (EPS)	19	(0.68)	0.10


Company Secretary


CFO (Acting)


Director


Managing Director


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STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

Particulars	Amount in Taka					
	Share Capital	Share Premium	Tax Holiday Reserve	Fair Value Adjustment Reserve	Retained Earnings	Total Equity
Balance at 01 July 2020	252,450,000	37,500,000	73,667,289	(2,110,719)	(10,563,169)	350,943,401
Net Profit for the period	-	-	-	-	(17,200,278)	(17,200,278)
Other Comprehensive Income	-	-	-	1,904,917	-	1,904,917
Balance at 30 September 2020	<u>252,450,000</u>	<u>37,500,000</u>	<u>73,667,289</u>	<u>(205,802)</u>	<u>(27,763,447)</u>	<u>335,648,040</u>

Particulars	Amount in Taka					
	Share Capital	Share Premium	Tax Holiday Reserve	Fair Value Adjustment Reserve	Retained Earnings	Total Equity
Balance at 01 July 2019	252,450,000	37,500,000	73,667,289	(707,347)	4,826,632	367,736,574
Net Profit for the period	-	-	-	-	2,469,847	2,469,847
Other Comprehensive Income	-	-	-	(500,456)	-	(500,456)
Balance at 30 September 2019	<u>252,450,000</u>	<u>37,500,000</u>	<u>73,667,289</u>	<u>(1,207,803)</u>	<u>7,296,479</u>	<u>369,705,965</u>


Company Secretary


CFO (Acting)


Md Anwar
Director


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STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

	Notes	30-Sep-20 Taka	30-Sep-19 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES			
Cash Received from Customers		140,118,287	184,574,157
Cash Received from other Income		18,708	700,000
Payment to Suppliers and Employees		(10,318,843)	(155,388,420)
Payment for Operating Expenses		(19,061,874)	(6,967,691)
Interest Paid		(3,726,485)	(3,412,500)
Income Tax Paid		(3,812,331)	(5,645,661)
Net cash generated from/(used in) Operating Activities	22	103,217,462	13,859,885
B. CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		-	(61,200)
Investment in Shares (Net)		(14,290)	(7,709)
Sale of Property, Plant and Equipment		-	500,000
Net cash provided from/(used in) Investing Activities		(14,290)	431,091
C. CASH FLOW FROM FINANCING ACTIVITIES			
Short Term Loan		(103,207,210)	-
Loan from Director		-	(10,300,000)
Dividend Paid		-	-
Net cash provided from/(used in) Financing Activities		(103,207,210)	(10,300,000)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(4,038)	3,990,976
Cash and Cash Equivalents at the beginning		1,810,081	801,640
Cash and Cash Equivalents at the end		1,806,043	4,792,616
Net Operating Cash Flow (NOCF) per Share	20	4.09	0.55


Company Secretary


CFO (Acting)


Director


Managing Director


Chairman



NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2020

1. REPORTING ENTITY

1.1 About the Company

Chittagong Vegetable Oil Industries Limited (CVO) was incorporated on 9th December 1984 with the Registrar of Joint Stock Companies & Firms in Bangladesh under the Companies Act 1913 as a private company limited by shares. Subsequently, the Company converted to “Public Company” limited by shares vide special resolution passed in the extra ordinary general meeting held on 3rd February 1988. The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). Chittagong Vegetable Oil Industries Limited has been renamed as CVO Petrochemical Refinery Limited vide Issue no. 937 dated 29.07.2010 of the Registrar of Joint Stock Companies & Firms.

The registered office and principal place of business of the Company is situated at “37 Katalgonj, Panchlaish, Chattogram, Bangladesh”. The factory located at 154 Nasirabad Industrial Area, Baizid Bostami Road, Chattogram.

1.2 Principal Activities and Nature of Business

i) The Company is engaged in the production and sale of fuel like Motor Spirit (MS), High Speed Diesel (HSD) and Mineral Turpentine (MTT) from Natural Gas Condensate. The installed production capacity is 150 MT per day.

ii) Raw material (Natural Gas Condensate) is procured by the Company from various Gas Fields of Sylhet Gas Fields Limited and also its finished products are sold to Padma Oil Company Limited, Meghna Petroleum Limited and Jamuna Oil Company Limited under Bangladesh Petroleum Corporation (BPC) as per contract.

2. BASIS OF PREPARATION OF THE INTERIM FINANCIAL STATEMENTS

These quarterly financial statements should be read in conjunction with the annual financial statements as on June 30, 2020 as they provide an update position to previously reported information.

The accounting policies used are consistent with those used in the annual financial statements. The interim financial statements have been prepared in accordance with the Companies Act 1994,



the Securities and Exchange Rules, 1987 as well as provisions of International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and other applicable laws and regulations. The presentation of the interim financial statements is consistent with the annual financial statements. Where necessary, the comparatives have been reclassified or extended to take into account any presentational changes made in the annual financial statements. The preparation of interim financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses at the date of interim financial statements. If the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

3. EVEN AFTER THE REPORTING PERIOD

Due to the suspension on supply of Raw Materials (Natural Gas Condensate) by the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources of Govt. of Bangladesh, the production of the Company has been remained closed from 7th July 2020 to till date.

4. GENERAL

(i) The Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources of Govt. of Bangladesh suspended the allotment of Natural Gas Condensate (Raw Materials) to all 12 (twelve) Private Condensate Fractionation Plant including the Company vide letter ref no. 28.00.0000.027.42.001.15(Part-1).25, dated 27th June 2020 effective from 1st July 2020 to till date. For this reason the production of the Company has been suspended since 7th July 2020.

(ii) Figures appearing in these financial statements have been rounded off to the nearest taka.

(iii) Bracket figure denotes negative.



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	30-Sep-20 Taka	30-Jun-20 Taka
5 PROPERTY, PLANT AND EQUIPMENT		
<u>At Cost</u>		
Opening Balance	652,497,772	649,169,477
Add: Addition during the period	-	6,261,200
	<u>652,497,772</u>	<u>655,430,677</u>
Less: Adjustment/Disposal during the period	-	2,932,905
Closing Balance	<u>652,497,772</u>	<u>652,497,772</u>
<u>Accumulated Depreciation</u>		
Opening Balance	204,478,412	179,369,708
Add: Addition during the period	6,417,219	27,128,607
	<u>210,895,631</u>	<u>206,498,315</u>
Less: Adjustment/Disposal during the period	-	2,019,903
Closing Balance	<u>210,895,631</u>	<u>204,478,412</u>
Written Down Value	<u>441,602,141</u>	<u>448,019,361</u>
6 INVESTMENT IN SHARES		
Investment in shares at cost price	4,154,552	5,774,586
Unrealized gain/(loss) shown under fair value adj.	(205,802)	(2,110,719)
Investment in Shares at Market Price	<u>3,948,750</u>	<u>3,663,867</u>
7 INVENTORIES		
Raw Materials	287,775	13,043,181
Finished Goods	593,555	18,672,052
Chemicals	542,400	544,500
	<u>1,423,730</u>	<u>32,259,733</u>
8 ACCOUNTS RECEIVABLE		
Bangladesh Petroleum Corporation (BPC):		
Meghna Petroleum Limited	2,697,600	38,190,460
Padma Oil Company Limited	2,644,670	58,948,935
Jamuna Oil Company Limited	-	13,929,840
	<u>5,342,270</u>	<u>111,069,235</u>
The above amount was fully realized subsequently.		
9 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances	69,549,685	61,210,288
Deposits	9,615,337	9,541,828
	<u>79,165,022</u>	<u>70,752,116</u>



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CVO Petrochemical Refinery Limited

	30-Sep-20 Taka	30-Jun-20 Taka
10 CASH AND CASH EQUIVALENTS		
Cash in hand	23,293	25,752
Fixed Deposits (Note - 10.1)	1,247,192	1,247,192
Cash at Bank (Note - 10.2)	535,558	537,137
	1,806,043	1,810,081

10.1 Fixed Deposits		
Sonali Bank Limited, Panchlaish Branch, Chattogram	1,247,192	1,247,192

10.2 Cash at Bank

Name of Banks	Branch	A/C Type		
Exim Bank Limited	Jubilee Road	SND	11,077	11,077
Dutch-Bangla Bank Ltd.	Muradpur	STD	20,687	20,807
Prime Bank Limited	Muradpur	SND	109,006	109,006
NCC Bank Limited	Agrabad	CD	192,778	192,778
Eastern Bank Limited	Jamal Khan	SND	77,678	78,253
AB Bank Limited	Chawkbazar	SND	79,715	80,061
Sonali Bank Limited	Panchlaish	SND	41,781	42,319
Uttara Bank Limited	Chawkbazar	SND	2,836	2,836
			535,558	537,137

11 DEFERRED TAX LIABILITIES

	Carrying amount	Tax Base	Temporary difference as at 30 September 2020	Temporary difference as at 30 June 2020
Property, Plant and Equipmen	441,602,141	258,555,632	183,046,509	178,466,260
Applicable Rate			25%	25%
Deferred tax liability as on September 30			45,761,627	44,616,565

11.1 Deferred tax for the period

Deferred tax liability required upto September 30	45,761,627	44,616,565
Less: Balance as on July 01	44,616,565	37,816,316
Deferred tax charged for the period	1,145,062	6,800,249



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	30-Sep-20 Taka	30-Jun-20 Taka
12 SHORT TERM LOAN		
Opening Balance	225,562,264	-
Add: Received during the period	38,387,226	512,573,414
	263,949,490	512,573,414
Less: Repaid during the period	141,594,436	287,011,150
Closing Balance	<u>122,355,054</u>	<u>225,562,264</u>

The above short term loan was obtained from Sonali Bank Limited, Panchlaish Branch, Chattogram. Terms and conditions, security of loan and details of these facilities are as follows:

Name of the facility: Cash Credit General -Hypothecation (CC Hypo)

Total loan facility: Tk. 25.00 Crore

Purpose: To meet requirement of working capital.

Security:

i) Registered Mortgage over the project land measuring 0.959 acres and all civil construction thereon supported by registered General power of Attorney.

ii) Fixed & Floating charge over machinery, plant and equipment.

iii) Personal guarantee of all directors' of the company.

Interest Rate: 9% per annum, calculation on quarterly basis and variable depending on the situation of money.

Sanction & disbursement: Loan sanction made on 9th January 2020 and first disbursement/transaction was at 19th January 2020.

Duration: 01(One) year and renewable after maturity.

Repayment: The loan is repayable after receiving cheque at regular intervals from BPC (The only customer of the company).

13 PROVISION FOR INCOME TAX

Opening Balance	11,734,611	7,563,162
Add: Provision made for the period	211,025	4,171,449
	11,945,636	11,734,611
Less: Adjustment during the period	-	-
Closing Balance	<u>11,945,636</u>	<u>11,734,611</u>

Minimum tax liability amounting to Tk. 211,025 has been made provision for the period, U/S-82© (4) of the Income Tax Ordinance 1984.



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CVO Petrochemical Refinery Limited

	<u>30-Sep-20</u> Taka	<u>30-Jun-20</u> Taka
14 ACCOUNTS PAYABLE		
M/S. Alhaj Ishaque Badsha & Co.	2,609,595	3,851,050
M/S. Mitali Auto Enterprise	2,805,385	3,825,300
M/S. Kamal Uddin & Co.	863,550	1,162,740
M/S. Best Business Bond Limited	15,000	220,000
M/S. Anima Vista	75,000	180,000
M/S. Mahmood Iron Safe Products	96,580	101,663
M/S. Nur Nabi & Co.	13,500	13,500
M/S. Innovative Online Limited	22,500	22,500
M/S. Telnet Communication Limited	8,143	6,000
M/S. Alhaj Md. Younus & Co.	450,000	-
	<u>6,959,253</u>	<u>9,382,753</u>
15 OTHER PAYABLES		
Liabilities for Expenses	2,062,688	3,832,671
VAT Current Account	-	12,946,470
Unclaimed Dividend	8,555,658	8,555,658
	<u>10,618,346</u>	<u>25,334,799</u>
	<u>30-Sep-20</u>	<u>30-Sep-19</u>
	Taka	Taka
16 NET TURNOVER		
Turnover	40,545,000	239,787,000
Less: Cetane	732,569	566,298
	<u>39,812,431</u>	<u>239,220,702</u>
Less: Loss in transit	132,630	1,131,735
	<u>39,679,801</u>	<u>238,088,967</u>
Less: Value Added Tax	5,288,479	31,276,564
	<u>34,391,322</u>	<u>206,812,403</u>

The turnover of the company was decreased during the period due to non-supply of raw materials (Natural Gas Condensate) by the Energy and Mineral Resources Division of the Ministry of Power, Energy and Mineral Resources of Govt. of Bangladesh from 1st July 2020. Therefore, the production of the Company has been remained closed since 7th July 2020 to till date.



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	30-Sep-20 Taka	30-Sep-19 Taka
17 COST OF GOODS SOLD		
Raw Materials Consumed	12,755,406	155,225,438
Chemicals Consumed	5,600	17,475
	<u>12,761,006</u>	<u>155,242,913</u>
Factory Overhead	9,387,626	25,451,326
Cost of Production	22,148,632	180,694,239
Finished Goods at the Opening	18,672,052	14,852,358
Finished Goods at the Closing	(593,555)	(6,049,721)
	<u>40,227,129</u>	<u>189,496,876</u>

18 GAIN/(LOSS) ON INVESTMENT IN SHARES (UNREALISED)		
Gain/(loss) on Investment in Shares (Note -6)	(205,802)	(1,207,803)
Gain/(loss) re-classified to Profit or Loss	2,110,719	707,347
	<u>1,904,917</u>	<u>(500,456)</u>

19 EARNINGS PER SHARE (EPS)		
Surplus for the period attributable to Shareholders	(17,200,278)	2,469,847
Number of Ordinary Shares outstanding during the period	25,245,000	25,245,000
Earnings per Share of Tk. 10 each	<u>(0.68)</u>	<u>0.10</u>

The Earnings per Share (EPS) of the Company was decreased due to incurring loss by the Company during the period.

20 NET OPERATING CASH FLOW (NOCF) PER SHARE		
Net Operating Cash flow at the period end	103,217,462	13,859,885
Number of Ordinary Shares outstanding during the period	25,245,000	25,245,000
Net Operating Cash Flow per Share of Tk.10 each	<u>4.09</u>	<u>0.55</u>

Net Operating Cash Flow per Share (NOCFPS) has been increased during the period due to collection of accounts receivable was increased as well as less payment of Suppliers.

	30-Sep-20 Taka	30-Jun-20 Taka
21 NET ASSETS VALUE (NAV) PER SHARE		
Net Assets Value at the period end	335,648,040	350,943,401
Number of Ordinary Shares outstanding during the period	25,245,000	25,245,000
Net Assets Value per Share of Tk. 10 each	<u>13.30</u>	<u>13.90</u>



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	30-Sep-20 Taka	30-Sep-19 Taka
22 RECONCILIATION OF NET PROFIT WITH CASH FLOW FROM OPERATING ACTIVITIES - UNDER		
Net Profit/(Loss) after tax	(17,200,278)	2,469,847
Adjustments to reconcile net profit/(loss) to net cash Generated from Operating Activities:		
Non-cash items:		
Depreciation	6,417,219	6,758,690
Deferred Tax	1,145,062	1,679,064
	7,562,281	8,437,754
Non-operating items:		
Loss/(gain) on Investment in Shares	1,634,325	225,294
Loss on sale of Motor Vehicle	-	413,002
	1,634,325	638,296
Net Profit/(Loss) before changes in working capital	(8,003,672)	11,545,897
Changes in working capital:		
(Increase)/Decrease of Current Assets		
Inventories	30,836,003	11,606,338
Accounts Receivables	105,726,965	(22,238,246)
Advances, Deposits & Prepayments	(8,412,906)	2,875,682
	128,150,062	(7,756,226)
Increase/(Decrease) of Current Liabilities		
Provision for Tax	211,025	1,241,880
Accounts Payable	(2,423,500)	3,730,347
Other Payables	(14,716,453)	5,097,987
	(16,928,928)	10,070,214
Net Increase/(Decrease) in working capital	111,221,134	2,313,988
Net cash generated from/(used in) Operating Activities	103,217,462	13,859,885


Company Secretary


CFO (Acting)


Director


Managing Director


Chairman