



# সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড

## CVO Petrochemical Refinery Limited

### Report of the Board of Directors to the Shareholders for the Year 2020-2021

Bismillahir Rahmanir Rahim

Dear Valued Shareholders,  
Assalamualaikum Warahmatullahi Wabarakatuh,

Alhamdulillah, I, on behalf of the Board of Directors of CVO Petrochemical Refinery Limited I would like to very warm welcome you all to the 36<sup>th</sup> Annual General Meeting (AGM) of the Company. At the same time, I express my heartfelt thanks and gratitude to all of you for your continuous support and trust reposed on us. I take this opportunity to share with you the highlight of business performance of the Company.

It is an honor for the Board of Directors to present the Directors' Report together with the Audited Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity for the year ended June 30, 2021.

#### Petroleum Product Market in Bangladesh

After the pandemic of COVID-19 period the petroleum product market has been growing very rapidly driven by strong demand from the industrial sector, agro division, and the increase of automobiles for vehicular transport. This is evident from the under mentioned table showing year-wise sales of petroleum products of BPC from the last 05 (five) years:

Particulars	Financial Year				
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Total Sales of BPC (in MT)	5,888,730	6,948,336	6,549,597	5,503,091	6,299,730
Increase/(Decrease) (in %)	12.04%	17.99%	-5.74%	-15.98%	14.48%

After all, this growth in the economy has led to an increase in the vehicle for personal as well as commercial use. The fast-growing industrial sector which includes the power, energy, agro, manufacturing & processing sector is accelerating the demand for Petroleum Products.

#### Industrial Outlook & Possible Future Developments

CVO Petrochemical Refinery Limited is the only listed company among the other private condensate fractionation plants in Bangladesh. The production capacity of the fractionation plant is 50,000 M.T per year i.e. 150 M.T per day. The raw materials (Condensate) used by the Company are procured locally from various Gas fields of Bangladesh Oil, Gas & Mineral Corporation (Petrobangla) and also the finished products are sold to Bangladesh Petroleum Corporation (BPC) through Padma Oil Company Limited, Meghna Petroleum Limited, and Jamuna Oil Company Limited. The main products of the Company are MS (Motor Spirit), HSD (High-Speed Diesel), and MTT (Mineral Turpentine).

As per the agreement, CVO Petrochemical Refinery Limited (CVOPRL) was procuring raw materials from Sylhet Gas Fields Limited (SGFL) under Petrobangla. But due to the quality issue of BSTI, Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources of Bangladesh has suspended the supply of raw materials (Condensate) to all Government & Private Condensate Fractionation Plant including CVOPRL from 1<sup>st</sup> July 2020 to till now.

The Board of Directors and the management of the company are trying hard to restart and increase the allotment of raw materials (Condensate) so that the Company can utilize its maximum



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production capacity & increase overall earnings. The overall industry's production was closed during the financial year 2020-2021.

Energy and Mineral Resources Division of Govt. of Bangladesh, Bangladesh Petroleum Corporation (BPC) and its associate companies are working very hard to import Diesel Riched Condensate to start the production of all Condensate Fractionation plant and uninterrupted supply of raw materials (Condensate) as per company wise production capacity. Bangladesh Petroleum Corporation (BPC) has already started the infrastructure development work to start the import & distribution work. Moreover, the Board of Directors and the management of the Company has worked tirelessly to launch new product line without making any changes in the existing process plan of Condensate Fractionation Plant from a different raw material to overcome the financial crisis. The Company has applied for Naphtha (raw materials) to produce Solvent as per BSTI standard. Bangladesh Petroleum Corporation has already signed a 5 years agreement with CVOPRL to supply of Naphtha. Now the management is working with the existing plant for the fine tuning, selection of Merox and import this specialized machinery to ensure the quality of Solvent.

### Product-wise Performance

Supply of Condensate from Petrobangla has suspended to all Condensate Fractionation Plant including CVOPRL from 1<sup>st</sup> July 2020 to till date due to quality issue from Energy and Mineral Resources Division of Govt. of Bangladesh. On this financial period, we didn't receive any raw materials from any gas fields under Petrobangla.

#### Sales to BPC for the financial year 2020-21

Month	Products			Total Sales (in Liter)
	Motor Spirit (MS)	High-Speed Diesel (HSD)	Mineral Turpentine (MTT)	
July'20	2,70,000	1,98,000	1,80,000	6,48,000
August'20	36,000	9,000	0	45,000
September'20				
October'20				
November'20				
December'20				
January'21				
February'21				
March'21				
April'21				
May'21				
June'21				
Total	3,06,000	2,07,000	1,80,000	6,93,000

In Bangladesh, the annual domestic demand for petroleum products is around 63 (sixty-three) Lac MT (approx.). Out of this demand, Eastern Refinery Limited the only state-owned Refinery in Bangladesh is producing only 15 (fifteen) Lac MT (approx.) per year and other government & private CRU Plants are producing approximately 05 (five) Lac MT of Petro Products. The remaining gap has been filled up through import by BPC. In this regard, the government is spending a huge amount of foreign currency to import the Petro Products.

### Risks & Concerns

Details are discussed in Note No. 4.0 of the Financial Statements (Page No. 60).



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### Business Performance

As per the last order of the Energy and Mineral Resources Division (EMRD), the Company has been allotted for time being 275 barrels of Condensate per day from the Sylhet Gas Fields Limited (SGFL) under Petrobangla up to 30<sup>th</sup> June 2020. Subsequently, by the order from Energy and Mineral Resources Division (EMRD), the supply of Condensate temporarily suspended under its all-private Condensate fractionation plants from 1<sup>st</sup> July 2020 and as a result, the production of the Company has been remained closed since 7<sup>th</sup> July 2020 to till date.

After getting allotment of Condensate from Energy and Mineral Resources Division (EMRD), an agreement between Bangladesh Petroleum Corporation (BPC) and CVO Petrochemical Refinery Limited will be renewed to sale the finished products to BPC through the marketing company Padma Oil Company Limited, Meghna Petroleum Limited & Jamuna Oil Company Limited.

Utilization of Capacity		
Financial Year	Actual Capacity Utilized (MT)	Capacity Utilization (%)
2020-21	262	0.52%
2019-20	11,527	23.05%

The Board of Directors expressed disappointment to observe that the financial position of the Company shows unsatisfactory result during the financial year 2020-21 due to the suspension of supply of raw materials (Condensate) by Energy and Mineral Resources Division (EMRD), the Company has utilized only 0.52% of its total production capacity. In a nutshell, it was comparatively downward than the previous year. In view of the above prospective trading agreement, the Board of Directors expects a bright business activity of the Company for the coming years.

### Discussion on Cost of Goods Sold, Gross Profit Margin & Net Profit Margin

Particulars	2020-21 (Tk.)	2019-20 (Tk.)	Growth %
Cost of Goods Sold	65,287,301	635,793,303	-89.73%
Gross Profit/(Loss)	(30,910,792)	49,461,594	-162.49%
Net Profit/(Loss)	(62,946,210)	(12,865,301)	389.27%

### Cost of Goods Sold (COGS)

Cost of Goods Sold is the cost of manufacturing the products that a Company sells during the period, so the only costs included in the measure are those that are directly tied to the production of the products. It includes the purchase price of the raw materials, Carrying cost, Fuel, and factory overhead. COGS vary directly with sales and production; the more finished goods we produce, the more stock or components we need to buy.

During the financial year 2020-21 Cost of Goods Sold has been decreased by 89.73% compared to the previous financial year 2019-20 due to closure of production for the suspension of supply of raw materials (Condensate) by Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources of Bangladesh.

### Gross Margin Ratio

Gross Profit is the difference between Net Turnover and the Cost of Goods Sold.

Gross Profit = Net Turnover - Cost of Goods Sold.

The gross margin is one indicator of the financial health of a business. Larger gross profit margins are better for business, the higher the percentage, the more the business retains each Taka of sales for other expenses and net profit.

Gross Profit Margin % = (Gross Profit / Net Turnover) X 100



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During the financial year 2020-21, Gross Profit Margin has been decreased by 162.49% compared to the previous financial year 2019-20 due to the suspension of supply of raw materials (Condensate) by Petrobangla.

### Net Profit Margin Ratio

Net profit is calculated by subtracting expenses, including tax and WPPF from the gross profit, showing what the business has earned in a given period.

Net Profit/(Loss) = Gross Profit – Operating Expenses with Tax & WPPF

Net loss of the Company during the financial year 2020-21 has been increased by 389.27% compared to the previous financial year 2019-20 due to closure of production for the suspension of supply of raw materials (Condensate) by Petrobangla.

### Extra-Ordinary Gain/Loss

There was no extra-ordinary gain/loss occurred during the reporting year.

### Related Party Transactions

The related party's transaction is given below during this financial year:

Related Party Name	Opening Balance (Tk.)	Received/Adj. during the year (Tk.)	Payment/Adj. during the year (Tk.)	Closing Balance (Tk.)	Nature of Transaction
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	150,000	900,000	(825,000)	225,000	Office Rent/Security money of Dhaka Office
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	20,390	-	(20,390)	-	Interest on short term loan

### Internal Control System

The internal audit team monitors & evaluates the efficacy & adequacy of internal control systems in the company on regular basis. Based on the report of the internal audit team the management undertakes necessary action in their respective functions.

### Directors' Remuneration

The details of the remuneration paid to the Directors during the financial year 2020-21 are given in Note No. 24.2 in the Financial Statements (Page No. 75)

### Management Discussion & Analysis

Details are discussed in Annexure-E.

### Protection of Minority Shareholders Interest

The Board of Directors of the Company always gives the highest level of priority to protect the interest of the minority shareholders. Considering the greater interest of the minority shareholders, the Board proposed the decision and the shareholders approved the proposal by their voting power. They reserve the right to give their vote, dividend, collect information, and review any kind of changes in Memorandum and Articles.



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### Significant Variance between Quarterly & Annual Financial Statements

Particulars	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Annual
Net Revenue	34,391,322	34,391,322	34,391,322	34,376,509
Gross Profit	(5,835,807)	(13,374,596)	(22,678,642)	(30,910,792)
Net Profit/(Loss)	(17,200,278)	(32,407,979)	(49,746,410)	(62,946,210)
Gross Profit Ratio	(16.96%)	(38.89%)	(65.94%)	(89.92%)
Net Profit Ratio	(50.01%)	(94.23%)	(144.64%)	(183.11%)
EPS	(0.68)	(1.28)	(1.97)	(2.49)
NAV	13.30	12.74	11.99	11.55
NOCFPS	4.09	3.88	2.32	0.91

### Corporate & Financial Reporting Frame Work

The Board of Directors complies with the Bangladesh Securities & Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018, and confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of CVO Petrochemical Refinery Limited present fairly its state of affairs, the result of operations, cash flows & changes in equity.
- The company has been maintaining proper books of accounts.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements.
- International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been applied in the preparation of financial statements and disclosures have been given properly.
- There is no significant doubt upon the issue of the company's ability to continue as a going concern.

### Going Concern

As per the Directors assessment the Company has adequate resources to continue its operation for the foreseeable future and there is no significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Financial Statements of the Company have been prepared on a going concern basis.

### Significant Deviation in Operating Results Compare to Previous Year

A significant deviation in operating results has been occurred due to suspension of raw materials (Condensate) by Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources of Bangladesh from 1<sup>st</sup> July 2020 to till to date.

### Code of Conduct

The Board of Directors of the company has adopted a Code of Conduct for the Chairperson, other Board members, and MD/CEO of the Company based on the recommendation of the Nomination and Remuneration Committee (NRC). All the Directors have signed as acceptance to its compliance.



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### Key Operating and Financial Data of Last 05 (five) years

Particulars	Financial Year				
	2020-21	2019-20	2018-19	2017-18	2016-17
Authorized Capital	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Paid up Capital	252,450,000	252,450,000	252,450,000	252,450,000	247,500,000
Net Turnover	34,376,509	685,254,896	729,643,930	660,793,691	55,621,273
Gross Profit/(Loss)	(30,910,792)	49,463,563	46,587,881	49,890,099	(40,080,227)
Operating Profit/(Loss)	(44,464,963)	(1,220,618)	13,496,404	18,086,989	(70,226,356)
Profit Before Tax	(62,627,650)	(1,893,603)	15,871,677	20,886,581	(68,211,722)
Net Profit/(Loss) after Tax	(62,946,210)	(12,865,301)	3,141,737	6,550,769	(84,704,276)
Non-Current Assets	439,031,866	451,683,228	475,413,409	471,862,346	499,553,402
Current Assets	147,433,754	215,891,165	214,130,775	173,456,749	62,573,551
Current Liabilities	249,375,446	272,014,427	283,991,294	247,843,396	183,164,068
Shareholders' Equity	291,638,408	350,943,401	367,807,309	368,141,901	360,649,159
Dividend	10% Stock	No Dividend	02% Cash	02% Cash	02% Stock
EPS	(2.49)	(0.51)	0.12	0.26	(3.42)
NAV Per Share	11.55	13.90	14.57	14.58	14.57
NOCF Per Share	0.91	1.64	(1.08)	(1.58)	(0.64)
Number of Shares	25,245,000	25,245,000	25,245,000	25,245,000	24,750,000
Market Price (DSE)	88.20	115.40	159.40	207.40	263.90
Market Price (CSE)	88.10	115.50	158.60	206.10	264.80
Sponsors'/Directors'	45.31%	50%	50%	50%	50%
Others	54.69%	50%	50%	50%	50%

### Board Meeting & Attendance

Name of Directors	Position	No. of Board Meeting	
		Held	Present
Mr. Shamsul Alam Shamim	Chairman	08	08
Mr. A.H.M. Habib Ullah	MD & CEO		08
Mr. Md. Amin	Director		08
Mr. Md. Ali Mortuza	Director		08
Mr. Md. Emranul Hoq	Director		08
Mr. Mohammad Mohsin Saky	Director		08
Mr. Nure Habib Noman	Director		08
Mrs. Jubeda Khanam Safi <sup>[N-1]</sup>	Director		05
Mr. Engr. A.F.M. Ishaque	Independent Director		08
Mr. Ekramul Haq, FCA <sup>[N-2]</sup>	Independent Director		04
Mr. Engr. Md. Mizbahur Rahman <sup>[N-3]</sup>	Independent Director		04

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### Note:

1. Mrs. Jubeda Khanam Safi has joined the Board of Directors on 10.12.2020
2. Mr. Ekramul Haq, FCA resigned from Independent Director on 31.12.2020
3. Mr. Engr. Md. Mizbahur Rahman become appointed as Independent Director on 01.01.2021

### Shareholders Pattern

The Shareholders pattern of the Company at the year ended on June 30, 2021, is shown as follows:

Name of the Shareholders	Status	Share Held	% of Shareholding
<b>A) Sponsors &amp; Directors</b>			
Mr. Shamsul Alam Shamim	Chairman	2,350,168	9.31
Mr. A.H.M. Habib Ullah	MD & CEO	1,767,151	7.00
Mr. Md. Amin	Director	1,199,136	4.75
Mr. Md. Ali Mortuza	Director	1,199,136	4.75
Mr. Md. Emranul Hoq	Director	1,199,136	4.75
Mr. Mohammad Mohsin Saky	Director	1,199,137	4.75
Mr. Nure Habib Noman	Director	1,199,138	4.75
Mrs. Jubeda Khanam Safi	Director	536,456	2.12
Mr. Md. Mansur Alam	Sponsor	136	0.005
Mrs. Joynab Rifat	Sponsor	536,456	2.12
Mrs. Fazilatun Nahar	Sponsor	252,450	1.00
Mr. Engr. A.F.M Ishaque	Independent Director	-	-
Mr. Engr. Md. Mizbahur Rahman	Independent Director	-	-
Total Sponsors & Directors (A)		1,14,38,500	45.31
<b>B) Others</b>			
General Public		8,166,448	32.35
Institutions		5,571,599	22.07
Foreign (NRB)		68,453	0.27
Total Others (B)		13,806,500	54.69
Total Shareholdings (A+B)		25,245,000	100.00

Name of the Shareholders	Status	Share Held	% of Shareholding	
<b>i) Parent/Subsidiary/Associated Companies &amp; Other Related Parties</b>				
NOT APPLICABLE				
<b>ii) Sponsors &amp; Directors</b>		Details are mentioned at above table	1,14,38,500	45.31
<b>iii) Chief Financial Officer, Head of Internal Audit &amp; Company Secretary</b>				
Mr. Ahmadul Haq Hasan	ED & Chief Auditor	0	0	
Mr. Khwaza Mowin Uddin Hossain	Company Secretary	0	0	
Mr. Mohammad Abu Taleb	Acting CFO	0	0	
<b>iv) Executives (Top Five Employees other than CFO, HIA &amp; CS)</b>				



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Mr. Md. Abdus Samad	DGM - Shares	0	0
Mr. Mohammed Faruk	Manager - F&A	0	0
Mr. Md. Serajul Islam	Manager – PR	0	0
Mrs. Sarabon Tahura	Manager – HR	0	0
Mr. Billal Hossain	D. Manager – F&A	0	0
v) Shareholders holding 10% or more			
NOT APPLICABLE			

### Contribution to National Exchequer

The Company is regularly paying VAT and Tax on time. The deposit of VAT and Tax to the National Exchequer for the last 02 (two) years are shown below:

Particulars	Financial Year	
	2020-21 (Tk.)	2019-20 (Tk.)
VAT	5,288,479	105,567,923
Tax	3,987,189	31,486,256

During the financial year, the Company has contributed an amount of Tk. 9,275,668 (Including VAT & Tax) to national exchequer as against Tk. 137,054,179 in the previous financial year.

Contribution to the national exchequer has been decreased by Tk. 127,778,511 during the financial year 2020-21 due to the suspension of supply of raw materials (Condensate) by Energy and Mineral Resources Division (EMRD) under the Ministry of Power, Energy and Mineral Resources of Bangladesh and also decrease in Turnover of the Company.

### Dividend

The Board of Directors is continuously making efforts to uphold and protect the interest of the valued shareholders. The Board has expressed dissatisfaction to observe that the Turnover of the Company has been decreased during the year due to the suspension of supply of raw materials (Condensate) by Petrobangla as well as the Earnings Per Share (EPS) of the Company has been decreased and resulted negative due to incurring loss by the Company.

Considering the loss & Share Premium Reserve of the company for the financial year 2020-21 the Board of Directors have therefore decided to recommend 10% Stock Bonus to raise the paid-up capital (as per section 57, of The Company Act 1994) from the Share Premium Reserve.

### Unclaimed Dividend

Year wise unclaimed Dividend are given below:

Financial Year	Declaration(%)	Types of Dividend	Taka
1990-1991	8%	Interim	18,072
1990-1991	5%	Final	12,920
1991-1992	10%	Final	31,860
1993-1994	12%	Final	64,980
1994-1995	10%	Final	35,800
1995-1996	15%	Final	238,200
1999-2000	8%	Interim	421,760
1999-2000	3%	Final	238,204





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2002-2003	5%	Final	89,775
2004-2005	6%	Final	98,103
2013-2014	5%	Final	506,369
2014-2015	15%	Final	2,684,717
2015-2016	25%	Final	3,588,049
2016-2017	2%	Fraction of Stock	181,618
2017-2018	2%	Final	102,409
2018-2019	2%	Final	114,619
2019-2020	0%	-	-
Total =			8,427,456

Unclaimed Dividend amount of Tk. 81,18,640.90 (Eighty One Lac Eighteen Thousand Six Hundred Forty Taka & Ninety Paise) subsequently paid to "Capital Market Stabilization Fund" according to Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2021-386/03- dated 14 January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 & BSEC letter No. SEC/SRMIC/165-2020/PART-1/166, dated 06 July 2021, SEC/SRMIC/165-2020/PART-1/182, dated 19 July 2021.

Details of unclaimed dividend has disclosed on the company's website [www.cvopetro.com](http://www.cvopetro.com).

### Dividend Policy

Ethics refers to principles by which to evaluate behavior as right or wrong, good or bad. Good corporate governance is an aspect of ethics related to the systems, principles, and processes governed by public service organizations.

"Ethics" invokes the management of the environment within which we function from a perspective broader than, but inclusive of, the current cohort. Since the corporate environment is, in theory, an infinitely lived entity owned by finitely lived shareholders, a governance ethic must represent a system that serves the current owners' needs while preserving the corporation's ability to sustain itself and benefit future cohorts.

The corporate ethic must necessarily promote efficiency simultaneous with the environment to generate the quality of life for a current fellow and provide equity that does not disadvantage a future cohort by the decisions of a contemporary cohort. As an environmental ethic analogy, those living today naturally believe in dividend payouts with less regard for tomorrow's consequences.

Regarding Business Ethics, the Board of Directors of CVO Petrochemical Refinery Limited has always kept transparency at every aspect of the business. Commitment, Goodwill, Reliability, and Transparency is own main strength. For a clear understanding of the company dividend policy & betterment to decide by the shareholder, the management has furnished the Dividend Disbursement Policy on the company website [www.cvopetro.com](http://www.cvopetro.com).

Based on the above concept, the company is committed to showing a stable policy of distribution (cash outlay) of the accretional wealth (profits) between the current and the future generation of shareholders. This would enable the company to enhance its capital wealth and sustain its existence, benefiting both present and progeny.

### Rotation of Directors

The Board of Directors of the Company now consists of 10 (ten) members including 02 (two) Independent Directors. As per Article 119 of the Articles of Association of the Company one-third



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(1/3) of the number of directors retire by rotation from the Board every year at an Annual General Meeting (AGM).

Accordingly, the 03 (three) directors Mr. Md. Ali Mortuza, Mr. Mohammad Mohsin Saky & Mr. Nure Habib Noman retiring from the Board this year in 36<sup>th</sup> Annual General Meeting (AGM) who has been the longest in office since their last election and being eligible offers themselves for re-election. Their short resume is stated in Annexure-D.

### Audit Committee

The Audit Committee has been constituted by the Board of Directors of the Company with the following members:

Mr. Engr. Md. Mizbahur Rahman, Independent Director	- Chairman
Mr. Engr. A.F.M Ishaque, Independent Director	- Member
Mrs. Jubeda Khanam Safi, Director	- Member
Mr. Khwaza Mowin Uddin Hossain, Company Secretary	- Member Secretary

The detailed roles & responsibilities, activities carried out and the number of the meeting of the Audit Committee have been provided in the Report of Audit Committee enclosed in Annexure-G.

### Nomination & Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) has been formed by the Board of Directors of the Company with the following members:

Mr. Engr. A.F.M Ishaque, Independent Director	- Chairman
Mr. Engr. Md. Mizbahur Rahman, Independent Director	- Member
Mrs. Jubeda Khanam Safi, Director	- Member
Mr. Khwaza Mowin Uddin Hossain, Company Secretary	- Member Secretary

The detailed roles & responsibilities, activities carried out and the number of the meeting of the NRC has been provided in the Policy of NRC enclosed in Annexure-H.

### Appointment of Independent Director

As per provision of Corporate Governance Guidelines Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Mr. Engr. A.F.M Ishaque was appointed as Independent Director of the Company for a period of one next term, subject to the approval of shareholders in the AGM. Short bio-data of the said director is enclosed herewith in the Annexure-D.

In pursuance of the Corporate Governance Code of BSEC Notification Mr. Engr. A.F.M Ishaque shall act as Chairperson of the NRC Committee of the Company & member at Audit Committee.

### Appointment of Statutory Auditors

Company's existing Statutory Auditor M/S. K. M. Hasan & Co., Chartered Accountants shall retire at 36<sup>th</sup> Annual General Meeting (AGM). The firm, being eligible has expressed its interest in re-appointment. The Board of Directors of the Company recommended their re-appointment for the financial year 2021-22 subject to approval by the shareholders in the 36<sup>th</sup> Annual General Meeting (AGM).

### Appointment of Compliance Auditors

M/S. Khan Wahab Shafique Rahman & Co., Chartered Accountants has completed its 3 years services with the company as compliance auditor. As per BSEC rules they shall retire at the 36<sup>th</sup> Annual



# সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড

## CVO Petrochemical Refinery Limited

General Meeting (AGM). M/S Rahman Mostafa Alam & Co. Chartered Accountants has expressed their interest to be appointed as Compliance Auditors for the financial year 2021-22. The Board of Directors of the Company satisfied with their profile and recommended to appoint as Compliance Auditor M/S Rahman Mostafa Alam & Co. Chartered Accountants for the next financial year 2021-22 subject to approval by the shareholders in the 36<sup>th</sup> Annual General Meeting (AGM).

Certificate on the compliance of Corporate Governance Code issued by the Compliance Auditor M/S. Khan Wahab Shafique Rahman & Co. as required under condition No. 9(1) enclosed in Annexure-B.

### Certification by the CEO & the CFO

Declaration or certification by the CEO and the CFO to the Board of Directors of the Company as required under condition No. 3(3)(c) enclosed in Annexure-A.

### Status of Compliance

The directors hereby report that the conditions imposed by the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 have been duly complied with as per status of Compliance outlined in Annexure-C.

### Website

The company maintains an official website namely [www.cvopetro.com](http://www.cvopetro.com) which is linked with the websites of the stock exchanges and the Company keeps its website functional from the date of listing. All detailed disclosures of the Company are available on its website according to the listing regulations of the concerned stock exchanges.

### Appreciation

The Board of Directors of the Company expressed their deepest gratitude to the respected shareholders and all stakeholders of the Company for continuing their support which has paved the way for the success of the Company. The Board is grateful to the Government of Bangladesh, Ministry of Power, Energy & Mineral Resources, Board of Investment (BOI), National Board of Revenue (NBR), Bangladesh Oil, Gas & Mineral Corporation (Petrobangla), Sylhet Gas Fields Limited (SGFL), Bangladesh Petroleum Corporation (BPC), Padma Oil Company Limited (POCL), Meghna Petroleum Limited (MPL), Jamuna Oil Company Limited (JOCL), Department of Environment (DOE), Department of Explosive, Bangladesh Fire Service & Civil Defense, Department of Inspection for Factories and Establishments (DIFE), Bangladesh University of Engineering & Technology (BUET), Eastern Refinery Limited (ERL), Bangladesh Energy Regulatory Commission (BERC), Bangladesh Standard and Testing Institute (BSTI), Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange Limited (DSE), Chittagong Stock Exchange Limited (CSE), Central Depository Bangladesh Limited (CDBL), The Registrar of Joint Stock Companies & Firms (RJSC), our bankers, auditors and legal advisors and many more.

On behalf of The Board of Directors

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Shamsul Alam Shamim  
Chairman