



## Half Yearly Report 2016-17

Period: 1<sup>st</sup> July 2016 to 31<sup>st</sup> December 2016.

(Un-Audited)



## সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড CVO Petrochemical Refinery Limited

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MESSAGE TO THE

# S H A R E H O L D E R S

**Dear Shareholders,**

By the name of almighty Allah, we are pleased to present the unaudited half-yearly financial statements of the Company containing Statement of Financial Position as at December 31, 2016 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the half-year ended as at December 31, 2016.

On behalf of the Board of Directors.

**A.H.M. Habib Ullah**  
Managing Director



**CVO PETROCHEMICAL REFINERY LIMITED**  
**STATEMENT OF FINANCIAL POSITION (Un-Audited)**  
**AS AT 31 DECEMBER 2016**

	Notes	31-Dec-16 Taka	30-Jun-16 Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	517,280,423	531,760,014
Investment in Shares	5	5,795,057	3,366,932
<b>Current Assets</b>			
Inventories		4,977,086	32,956,386
Accounts Receivable	6	668,440	13,559,320
Advances, Deposits and Prepayments		35,842,672	44,237,430
Cash and Cash Equivalents	7	77,493,793	67,516,500
<b>TOTAL ASSETS</b>		<b>642,057,471</b>	<b>693,396,582</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share Capital		247,500,000	247,500,000
Share Premium		37,500,000	37,500,000
Tax Holiday Reserve		76,046,944	76,046,944
Fair Value Adjustment Reserve		(305,592)	(384,531)
Retained Earnings		51,042,613	146,808,248
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	8	9,922,619	2,495,309
<b>Current Liabilities</b>			
Short Term Loan	9	128,413,087	150,254,117
Provision for Income Tax		9,099,144	9,099,144
Accounts Payable		182,026	2,121,483
Others Payable		82,656,630	21,955,868
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>642,057,471</b>	<b>693,396,582</b>
<b>NET ASSETS VALUE (NAV) PER SHARE</b>		<b>16.64</b>	<b>20.50</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman



## CVO PETROCHEMICAL REFINERY LIMITED

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-Audited) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Notes	Half Year Ended		Quarter Ended	
		31-Dec-16 Taka	31-Dec-15 Taka	Oct'16 to Dec'16 Taka	Oct'15 to Dec'15 Taka
Turnover	10	55,621,273	497,841,452	-	299,960,912
Cost of Goods Sold		(68,619,615)	(335,515,070)	(12,464,704)	(210,181,391)
<b>Gross Profit/(Loss)</b>		<b>(12,998,342)</b>	<b>162,326,382</b>	<b>(12,464,704)</b>	<b>89,779,521</b>
Operating Expenses:					
General and Administrative		(15,158,371)	(12,645,474)	(8,279,060)	(5,341,240)
Selling & Distribution		-	(295,860)	-	(138,500)
		(15,158,371)	(12,941,334)	(8,279,060)	(5,479,740)
<b>Operating Profit/(Loss)</b>		<b>(28,156,713)</b>	<b>149,385,048</b>	<b>(20,743,764)</b>	<b>84,299,781</b>
Other Income		1,693,388	4,145,189	1,218,237	4,116,116
<b>Profit/(Loss) Before Contribution to WPPF &amp; Welfare Fund</b>		<b>(26,463,325)</b>	<b>153,530,237</b>	<b>(19,525,527)</b>	<b>88,415,897</b>
Contribution to WPPF & Welfare Fund		-	(7,310,964)	-	(4,210,281)
<b>Profit/(Loss) Before Income Tax</b>		<b>(26,463,325)</b>	<b>146,219,273</b>	<b>(19,525,527)</b>	<b>84,205,616</b>
<b>Provision for Tax:</b>					
Current tax		-	(621,778)	-	(617,417)
Deferred tax		(7,427,310)	-	(3,714,343)	-
		(7,427,310)	(621,778)	(3,714,343)	(617,417)
<b>Net Profit/(Loss) After Tax</b>		<b>(33,890,635)</b>	<b>145,597,495</b>	<b>(23,239,870)</b>	<b>83,588,199</b>
Other Comprehensive Income:					
Profit/(Loss) on Investment in Shares (Unrealized)		78,939	(397,971)	(5,972)	(397,971)
<b>Total Comprehensive Income</b>		<b>(33,811,696)</b>	<b>145,199,524</b>	<b>(23,245,842)</b>	<b>83,190,228</b>
<b>Earnings per share (EPS)</b>		<b>(1.37)</b>	<b>5.88</b>	<b>(0.94)</b>	<b>3.38</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman



**CVO PETROCHEMICAL REFINERY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY (Un-Audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Fair Value Adjustment Reserve	Retained Earnings	Total Equity
<b>Balance at 01 July 2016</b>	247,500,000	37,500,000	76,046,944	(384,531)	146,808,248	507,470,661
Net Profit/(Loss) for the period	-	-	-	-	(33,890,635)	(33,890,635)
Other Comprehensive Income	-	-	-	78,939	-	78,939
Cash Dividend	-	-	-	-	(61,875,000)	(61,875,000)
<b>Balance at 31 December 2016</b>	<b>247,500,000</b>	<b>37,500,000</b>	<b>76,046,944</b>	<b>(305,592)</b>	<b>51,042,613</b>	<b>411,783,965</b>

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Fair Value Adjustment Reserve	Retained Earnings	Total Equity
<b>Balance at 01 July 2015</b>	198,000,000	37,500,000	36,455,020	-	89,115,995	361,071,015
Net Profit for the period	-	-	-	-	145,597,495	145,597,495
Other Comprehensive Income	-	-	-	(397,971)	-	(397,971)
Provision for Tax Holiday	-	-	36,399,374	-	(36,399,374)	-
Cash Dividend	-	-	-	-	(29,700,000)	(29,700,000)
Stock Dividend	49,500,000	-	-	-	(49,500,000)	-
<b>Balance at 31 December 2015</b>	<b>247,500,000</b>	<b>37,500,000</b>	<b>72,854,394</b>	<b>(397,971)</b>	<b>119,114,116</b>	<b>476,570,539</b>

  
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**CVO PETROCHEMICAL REFINERY LIMITED**  
**STATEMENT OF CASH FLOWS (Un-Audited)**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>Taka</b>	<b>Taka</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Cash Received From Customers	68,512,153	484,316,610
Cash Received From Other Income	1,642,638	4,145,189
Payment to Suppliers and Employees	(19,031,857)	(288,233,869)
Payment for Other Expenses	(15,363,131)	(6,946,584)
Payment of Income Tax	-	(414,499)
<b>Net Cash Provided From Operating Activities</b>	<b>35,759,803</b>	<b>192,866,847</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(1,307,085)	(10,714,377)
Investment in Shares	(2,505,000)	(3,335,019)
Dividend Received	50,750	-
<b>Net Cash Provided From/(Used in) Investing Activities</b>	<b>(3,761,335)</b>	<b>(14,049,396)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Loan Refund	(19,348,760)	(83,056,643)
Quard-e-Hasana refund to IBBL	(2,492,270)	10,120,000
Dividend Paid	(180,145)	(23,305)
<b>Net Cash Provided From/(Used in) Financing Activities</b>	<b>(22,021,175)</b>	<b>(72,959,948)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>9,977,293</b>	<b>105,857,503</b>
Cash and Cash Equivalents at the Beginning	67,516,500	162,817,503
<b>Cash and Cash Equivalents at the End</b>	<b>77,493,793</b>	<b>268,675,006</b>
<b>Net Operating Cash Flow Per Share</b>	<b>1.44</b>	<b>7.79</b>

  
Company Secretary

  
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# CVO PETROCHEMICAL REFINERY LIMITED

## NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED 31 DECEMBER 2016

### **1.00 Legal Form of Company**

Chittagong Vegetable Oil Industries Limited (CVO) was incorporated on 9<sup>th</sup> 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 3<sup>rd</sup> February 1988. The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). Under provision of Section 11(7) of Companies Act 1994 (Act. XVII of 1994), and under order of Government of Bangladesh conveyed by their ref. no-201078974, Chittagong vegetable Oil Industries has been renamed as CVO Petrochemical Refinery Ltd. vide certificate no. 937 dated. 29.07.2010 of the Registrar of Joint Stock Companies & Firms.

### **2.00 Principal Activities and Nature of Business**

The Company is engaged in the production and sale of fuel like Motor Sprit (MS), Mineral Turpentine (MTT) and various kinds of Solvent produce from Natural Gas Condensate. Raw Material Natural Gas Condensate is procured available from various Gas Fields of Bangladesh and also its finished products are sold to Govt. of Bangladesh, Local Paint Industries and to the local buyers.

### **3.00 Basis of preparation of the Interim Financial Statements**

These Half Yearly Financial Statements should be read in conjunction with the Annual Financial Statements as on June 30, 2016 as they provide an update to previously reported information.

The accounting policies used are consistent with those used in the Annual Financial Statements. The financial statements have been prepared in accordance with the International Accounting Standards (IAS 34). 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.

  
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#### 4.00 Property, Plant & Equipment

	<u>31-Dec-16</u> Taka	<u>30-Jun-16</u> Taka
<b><u>At Cost</u></b>		
Balance as at 01 July	633,933,232	622,741,415
Add: Addition during the period	1,307,085	11,191,817
	635,240,317	633,933,232
Less: Adjustment/Disposal during the period	-	-
Balance as at 31 December	635,240,317	633,933,232
<b><u>Accumulated Depreciation</u></b>		
Balance as at 01 July	102,173,218	68,683,399
Add: Addition during the period	15,786,677	33,489,819
	117,959,895	102,173,218
Less: Adjustment/Disposal during the period	-	-
Balance as at 31 December	117,959,895	102,173,218
<b>Written Down Value as at 31 December</b>	<b>517,280,423</b>	<b>531,760,014</b>

#### 5.00 Investment In Shares

Investment in Shares at Cost Price	6,100,649	3,751,463
Less: Unrealized Loss	(305,592)	(384,531)
<b>Investment in Shares at Market Price</b>	<b>5,795,057</b>	<b>3,366,932</b>

#### 6.00 Accounts Receivables

Meghna Petroleum Ltd.	-	12,890,880
M/S. N.S. Enterprise	668,440	668,440
	<b>668,440</b>	<b>13,559,320</b>

  
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**7.00 Cash and Cash Equivalents**

Cash in hand	107,467	107,467
Cash at Banks:		
AB Bank Ltd.,Chawkbazar Br. Ctg.(SND A/C)	15,298,151	15,438,989
Islami Bank (BD) Ltd., Muradpur Br, Ctg.(FDR A/C)	15,367,006	14,992,500
Prime Bank Ltd., Muradpur Br, Ctg.(SND A/C)	6,935,265	14,454,480
Exim Bank Ltd, CDA Avenue Br. Ctg.(CD A/C)	499,705	9,369,498
Sonali Bank Ltd.,Panchlaish Br. Ctg. (SND A/C)	30,525,915	6,917,555
Dutch -Bangla Bank Ltd., Muradpur Br. Ctg.(STD A/C)	8,223,515	5,264,165
Jamuna Bank Ltd., Khatungonj Br. Ctg.(SND A/C)	341,077	651,077
Islami Bank (BD) Ltd.,Muradpur Br, Ctg.(CD A/C)	74,613	177,818
Dutch -Bangla Bank Ltd., Muradpur Branch (CD A/C)	86,337	86,146
Eastern Bank Ltd., Jamal Khan Br. Ctg.(SND A/C)	24,453	45,441
NCCBL, Agrabad Br. Ctg.(CD A/C)	10,289	11,364
	77,386,326	67,409,033
	<b>77,493,793</b>	<b>67,516,500</b>

**8.00 Deferred Tax Liabilities**

Opening Balance	2,495,309	-
Add: Addition during the period	7,427,310	2,495,309
Closing Balance	<b>9,922,619</b>	<b>2,495,309</b>

**9.00 Short Term Loan**

M/S. Haji Md. Younus & Co.	123,777,857	143,126,617
IBBL -Quard-e-Hasana	4,635,230	7,127,500
	<b>128,413,087</b>	<b>150,254,117</b>

  
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Managing Director

  
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### 10.00 Net Turnover

	<u>31-Dec-16</u> <u>Taka</u>	<u>31-Dec-15</u> <u>Taka</u>
Turnover	64,003,516	565,138,158
Less: Loss-in-Transit	33,960	96,706
	63,969,556	565,041,452
Less: Value Added Tax	8,348,283	67,200,000
	<u><b>55,621,273</b></u>	<u><b>497,841,452</b></u>

### 11.00 Dividend for 2015-16

The Shareholders of the company has approved 25% cash dividend for the year 2015-16 in the Annual General Meeting held on December 27, 2016. The dividend for 2015-16 has been accounted for in this Interim financial statement.

### 13.00 General

- i) Figures appearing in these financial statements have been rounded off to the nearest taka.  
ii) Bracket figure denotes negative.

iii) Sylhet Gas Fields Ltd the only Supplier of Raw material Natural Gas Condensate (NGC) suspended supply of raw material without issuing prior notice from 17.07.2016 in violation of the agreement with them. The Company filed a Writ petition no 9572 of 2016 in High Court Division of Honorable Supreme Court of Bangladesh. The Honorable High Court Division of the Supreme Court Issued a Rule Nisi on August 04, 2016 upon the Sylhet Gas Fields Limited and also directed to supply Condensate to the Company pursuant to allotment dated 30.10.2014 and 10.06.2015 within a period of 07 days from the date of receipt of the order.

But the Sylhet Gas Fields Ltd. has submitted a civil petition to leave to appeal no 2656 of 2016 and the Honorable Court has stayed the operation of the above order for the time being and As per direction of the Applet Division on 22.08.2016 the hearing of the said write petition of Company is pending in the sixth bench of the honorable High Court.

Due to non-supply of Condensate by the Sylhet Gas Fields Ltd. the production of the Company is suspended since 17.07.2016. The Management of the Company expects to win the legal battle and resume its production at the earliest.

  
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Director

  
Managing Director

  
Chairman