



Half Yearly Report 2017-18

Period : 1st July 2017 to 31st December 2017.
(Un-Audited)



সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড CVO Petrochemical Refinery Limited

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CVO Petrochemical Refinery Limited

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, 2017 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, 2017.

On behalf of the Board of Directors.

Nizam Uddin Mahmood Hossain
Managing Director (Acting)



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CVO Petrochemical Refinery Limited

STATEMENT OF FINANCIAL POSITION (Un-Audited)

AS AT 31 DECEMBER 2017

	Notes	31-Dec-17 Taka	30-Jun-17 Taka
ASSETS			
Non-Current Assets		485,480,603	499,553,402
Property, Plant and Equipment	4	479,930,762	493,565,277
Investment in Shares	5	5,549,841	5,988,125
Current Assets		186,563,422	62,573,551
Inventories		13,722,874	30,491,519
Accounts Receivable	6	56,348,160	-
Advances, Deposits and Prepayments		27,572,339	20,026,083
Cash and Cash Equivalents	7	88,920,049	12,055,949
TOTAL ASSETS		672,044,025	562,126,953
EQUITY AND LIABILITIES			
Shareholders' Equity		355,935,274	360,649,159
Share Capital		252,450,000	247,500,000
Share Premium		37,500,000	37,500,000
Tax Holiday Reserve		71,096,944	76,046,944
Fair Value Adjustment Reserve		(1,097,887)	(626,757)
Retained Earnings		(4,013,783)	228,972
Non-Current Liabilities			
Deferred Tax Liabilities	8	23,793,574	18,313,726
Current Liabilities		292,315,177	183,164,068
Short Term Loan	9	85,739,451	101,794,061
Loan from Director	10	190,000,000	65,392,656
Provision for Income Tax		218,310	112,943
Accounts Payable		2,463,040	1,721,064
Others Payable		13,894,376	14,143,344
TOTAL EQUITY AND LIABILITIES		672,044,025	562,126,953
NET ASSETS VALUE (NAV) PER SHARE		14.10	14.29


Manager - F & A


Company Secretary


Director


Managing Director (Acting)

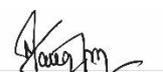

Chairman



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CVO Petrochemical Refinery Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Un-Audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Half Year Ended		Quarter Ended	
		31-Dec-17 Taka	31-Dec-16 Taka	Oct'17 to Dec'17 Taka	Oct'16 to Dec'16 Taka
Net Turnover	11	368,759,385	55,621,273	189,153,058	-
Cost of Goods Sold		(344,688,163)	(68,619,615)	(177,413,956)	(12,464,704)
Gross Profit/(Loss)		24,071,222	(12,998,342)	11,739,102	(12,464,704)
Operating Expenses:					
General and Administrative		(17,794,826)	(15,158,371)	(8,418,714)	(8,279,060)
Selling & Distribution		(5,081,629)	-	(3,441,629)	-
		(22,876,455)	(15,158,371)	(11,860,343)	(8,279,060)
Operating Profit/(Loss)		1,194,767	(28,156,713)	(121,241)	(20,743,764)
Other Income		333,406	1,693,388	326,206	1,218,237
Profit/(Loss) Before Contribution to WPPF & Welfare Fund		1,528,173	(26,463,325)	204,965	(19,525,527)
Contribution to WPPF & Welfare Fund		(72,770)	-	(9,760)	-
Profit/(Loss) Before Income Tax		1,455,403	(26,463,325)	195,205	(19,525,527)
Provision for Tax:					
Current tax		(218,310)	-	(29,280)	-
Deferred tax		(5,479,848)	(7,427,310)	(2,740,106)	(3,714,343)
		(5,698,158)	(7,427,310)	(2,769,386)	(3,714,343)
Net Profit/(Loss) After Tax		(4,242,755)	(33,890,635)	(2,574,181)	(23,239,870)
Other Comprehensive Income:					
Profit/(Loss) on Investment in Shares (Unrealized)		(471,130)	78,939	(40,754)	(5,972)
Total Comprehensive Income		(4,713,885)	(33,811,696)	(2,614,935)	(23,245,842)
Earnings per share (EPS)/Adjusted (EPS)		(0.17)	(1.34)	(0.10)	(0.92)


Manager - F & A


Company Secretary


Director


Managing Director (Acting)


Chairman



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CVO Petrochemical Refinery Limited

STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Amount in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Fair Value Adjustment Reserve	Retained Earnings	Total Equity
Balance at 01 July 2017	247,500,000	37,500,000	76,046,944	(626,757)	228,972	360,649,159
Tax Holiday Reserve transfer to Retained Earnings	-	-	(4,950,000)	-	4,950,000	-
Stock Dividend	4,950,000	-	-	-	(4,950,000)	-
Net Profit/(Loss) for the period	-	-	-	-	(4,242,755)	(4,242,755)
Other Comprehensive Income	-	-	-	(471,130)	-	(471,130)
Balance at 31 December 2017	252,450,000	37,500,000	71,096,944	(1,097,887)	(4,013,783)	355,935,274

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
Balance at 01 July 2016	247,500,000	37,500,000	76,046,944	(384,531)	146,808,248	507,470,661
Cash Dividend	-	-	-	-	(61,875,000)	(61,875,000)
Net Profit/(Loss) for the period	-	-	-	-	(33,890,635)	(33,890,635)
Other Comprehensive Income	-	-	-	78,939	-	78,939
Balance at 31 December 2016	247,500,000	37,500,000	76,046,944	(305,592)	51,042,613	411,783,965


Manager - F & A


Company Secretary


Director


Managing Director (Acting)

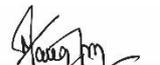

Chairman



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CVO Petrochemical Refinery Limited

STATEMENT OF CASH FLOWS (Un-Audited)
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	31-Dec-17 Taka	31-Dec-16 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES		
Cash Received From Customers	312,411,225	68,512,153
Cash Received From Other Income	326,206	1,642,638
Payment to Suppliers and Employees	(321,604,518)	(19,031,857)
Payment for Other Expenses	(22,264,389)	(15,363,131)
Payment of Income Tax	(112,943)	-
Net Cash Provided From/(Used in) Operating Activities	(31,244,418)	35,759,803
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(286,428)	(1,307,085)
Investment in Shares	-	(2,505,000)
Dividend Received	7,200	50,750
Net Cash Provided From/(Used in) Investing Activities	(279,228)	(3,761,335)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan Refund	(16,054,610)	(19,348,760)
Loan from Director	124,607,344	-
Quard-e-Hasana refund to IBBL	-	(2,492,270)
Dividend Paid	(164,987)	(180,145)
Net Cash Provided From/(Used in) Financing Activities	108,387,747	(22,021,175)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	76,864,100	9,977,293
Cash and Cash Equivalents at the Beginning	12,055,949	67,516,500
Cash and Cash Equivalents at the End	88,920,049	77,493,793
Net Operating Cash Flow Per Share (NOCF)	(1.24)	1.42


Manager - F & A


Company Secretary


Director


Managing Director (Acting)


Chairman



NOTES TO THE INTERIM FINANCIAL STATEMENTS (Un-audited)

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1.00 Legal Form of 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 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 Spirit (MS), High Speed Diesel (HSD) and Mineral Turpentine (MTT) from Natural Gas Condensate. Raw Material Natural Gas Condensate is procured by the Company as available from various Gas Fields of Sylhet Gas Fields Limited and also its finished products are sold to Bangladesh Petroleum Corporation (BPC).

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, 2017 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 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.

4.00 Property, Plant & Equipment

	31-Dec-17 Taka	30-Jun-17 Taka
At Cost		
Balance as at 01 July	617,339,502	633,933,232
Add: Addition during the period	286,428	146,200
	617,625,930	634,079,432
Less: Adjustment/Disposal during the period	-	16,739,930
Balance as at 31 December	617,625,930	617,339,502



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Accumulated Depreciation		
Balance as at 01 July	123,774,225	102,173,218
Add: Addition during the period	13,920,944	30,589,066
	<u>137,695,169</u>	<u>132,762,284</u>
Less: Adjustment/Disposal during the period	-	8,988,059
Balance as at 31 December	<u>137,695,169</u>	<u>123,774,225</u>
Written Down Value as at 31 December	<u>479,930,762</u>	<u>493,565,277</u>

5.00 Investment in Shares

Investment in Shares at Cost Price	6,647,728	6,614,882
Less: Unrealized Loss	(1,097,887)	(626,757)
Investment in Shares at Market Price	<u>5,549,841</u>	<u>5,988,125</u>

6.00 Accounts Receivable

Bangladesh Petroleum Corporation (BPC):

a) Meghna Petroleum Limited	35,369,580	-
b) Padma Oil Company Limited	13,455,840	-
c) Jamuna Oil Company Limited	7,522,740	-
	<u>56,348,160</u>	<u>-</u>

7.00 Cash and Cash Equivalents

Cash in hand	-	-
Cash at Banks:		
Exim Bank Ltd., Jubilee Road Br. Ctg.	63,666,371	-
Sonali Bank Ltd., Panchlaish Br. Ctg.	8,865,660	10,147,805
AB Bank Ltd., Chawkbazar Br. Ctg.	7,601,006	263,716
Dutch -Bangla Bank Ltd.(STD A/C), Muradpur Br. Ctg.	7,588,397	208,732
Prime Bank Ltd., Muradpur Br. Ctg.	1,018,142	1,325,417
Eastern Bank Ltd., Jamal Khan Br. Ctg.	116,184	29,345
Jamuna Bank Ltd., Khatungonj Br. Ctg.	38,980	39,569
Islami Bank (BD) Ltd., Muradpur Br. Ctg.	13,693	14,268
NCCBL, Agrabad Br. Ctg.	9,139	9,714
Exim Bank Ltd., CDA Avenue Br. Ctg.	-	8,830
Dutch -Bangla Bank Ltd.(CD A/C), Muradpur Br. Ctg.	2,478	8,553
	<u>88,920,049</u>	<u>12,055,949</u>
	<u>88,920,049</u>	<u>12,055,949</u>

8.00 Deferred Tax Liabilities

Opening Balance	18,313,726	2,495,309
Add: Addition during the period	5,479,848	15,818,417
Closing Balance	<u>23,793,574</u>	<u>18,313,726</u>



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	31-Dec-17	30-Jun-17
	Taka	Taka
9.00 Short Term Loan		
Opening Balance	101,794,061	143,126,617
Add: Loan received during the period	-	1,900,092
	101,794,061	145,026,709
Less: Loan refund during the period	16,054,610	43,232,648
Closing Balance	85,739,451	101,794,061

This represents balance of loan from M/S. Haji Md. Younus & Co. The loan is unsecured and interest free. The tenure of the loan is 10 years from the date of commercial operation as per agreement.

10.00 Loan from Director

Opening Balanc	65,392,656	65,392,656
Add: Loan received during the period	144,607,344	-
	210,000,000	65,392,656
Less: Loan refund during the period	20,000,000	-
Closing Balance	190,000,000	65,392,656

This represents balance of loan obtained from Mr. Shamsul Alam Shamim, Chairman of the Company as per decision of the Board of Directors in its meeting held on 29 April 2017 to meet the day to day office expenses and requirement of working capital. This is a short term loan and free of interest and charges.

11.00 Net Turnover

Turnover	427,373,257	64,003,516
Less: Loss in transit	2,540,744	33,960
	424,832,513	63,969,556
Less: Value Added Tax	56,073,128	8,348,283
	368,759,385	55,621,273

The turnover has been increased during the period since the Company resumed its production on 21.06.2017 after re-started the supply of condensate by Sylhet Gas Fields Limited from 19.06.2017. The Company was remained closed from 21.07.2016 to 20.06.2017 due to non-supply of Condensate by Sylhet Gas Fields Limited.



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12.00 Dividend for 2016-17

The Shareholders of the Company has approved 02% Stock dividend for the financial year 2016-17 in the Annual General Meeting held on December 27, 2017. The dividend for 2016-17 has been accounted for in this interim Financial Statements.

13.00 Adjusted Earnings per Share

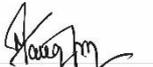
The Company declared bonus shares to the shareholders for the year 2016-17 which was approved in 32nd AGM held on 27th December 2017. Therefore EPS has been adjusted with the number of ordinary shares outstanding after giving effect of bonus shares in this interim Financial Statements.

14.00 Increase of Earnings per Share (EPS)

The Earnings per Share (EPS) has been increased during the period since the Company resumed its production on 21.06.2017 after re-started the supply of condensate by Sylhet Gas Fields Limited from 19.06.2017. The Company was remained closed from 21.07.2016 to 20.06.2017 due to non-supply of Condensate by Sylhet Gas Fields Limited.

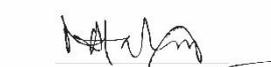
15.00 General

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


Manager - F & A


Company Secretary


Director


Managing Director (Acting)


Chairman