



Annual Report

2024-2025



সিভিও পেট্রোক্যামিকেল রিফাইনারী পিএলসি
CVO Petrochemical Refinery PLC



Letter of Transmittal

Date: 25th November 2025

To

The Shareholders of CVO Petrochemical Refinery PLC
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC
Chattogram Stock Exchange PLC

Subject: Submission of Annual Report for the year ended 30th June 2025

Dear Sir(s)/Madam(s),

We are pleased to enclose herewith a copy of the **Annual Report of CVO Petrochemical Refinery PLC** for the year ended 30th June 2025. It includes the **Directors' Report, Auditors' Report, and the Audited Financial Statements** comprising the:

- Statement of Financial Position,
- Statement of Profit or Loss and Other Comprehensive Income,
- Statement of Changes in Equity, and
- Statement of Cash Flows,

together with the accompanying Notes and other disclosures.

This Annual Report is being submitted for your kind information, record, and necessary reference.

Yours faithfully,
For and on behalf of
CVO Petrochemical Refinery PLC.

Khwaza Mowin Uddin Hossain
Deputy Managing Director &
Company Secretary

Notice of the 40th Annual General Meeting

Notice is with this given that the 40th Annual General Meeting of the Shareholders of CVO Petrochemical Refinery PLC will be held on Wednesday, 10th December 2025, at 11.00 a.m. by using the **Hybrid platform** through the link: <https://agmbd.live/CVOPRL2025> to transact the following business.

Agenda:

01. To receive, consider, and adopt the Audited Financial Statement for the year that ended 30th June 2025, together with the reports of the Directors and the Auditors thereon,
02. To declare a dividend for the year ended 30th June 2025.
03. To elect/re-elect the Director(s) of the Company in terms of the relevant provision of the articles of association.
04. To approve the appointment of a female Independent Director.
05. To appoint Statutory Auditor for the year 2025-26 and to fix their remuneration.
06. To appoint a Compliance Auditor for the year 2025-26 and to fix their remuneration.



By order of the Board



Khwaza Mowin Uddin Hossain
Deputy Managing Director &
Company Secretary

Dated: 25th November, 2025
Chattogram

Notes:

01. The shareholders whose names will appear in the Shareholders' Register of the Company or the Depository Register of CDBL on the record date i.e. 30th October 2025 will be eligible to attend the 40th Hybrid System Annual General Meeting.
02. According to the BSEC's Order No. SEC/SRMIC/94-231/25, dated 08th July 2020, the AGM will be a Hybrid meeting of the members, conducted via physical & live webcast using the digital platform. The shareholders can attend the virtual meeting through the provided link.
03. A Shareholder unable to participate and vote in the AGM may appoint a Proxy to participate and vote in their stead. To be effective, the scanned copy of the Proxy Form must be duly filled out, signed, and stamped with the Revenue stamp of Tk. 20.00 must be sent to the email at shareoffice@cvopetro.com not later than 72 (seventy-two) hours before the commencement of the AGM.
04. The shareholders will be able to submit their questions/comments 24 (twenty-four) hours before the commencement of the AGM and during the AGM by logging into the system. The shareholders need to put their Name, BO account number/Folio number and number of shares held as proof of their identity by visiting the link mentioned above, which will also be available on the Company's website at www.cvopetro.com and will also be sent to the respective email address of the shareholders in due course.
05. According to the BSEC's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03rd June 2018, the Annual Report 2024-25 will be sent in soft form through the respective email address of the shareholders available in their BO accounts maintained with the CDBL and will also be available to the website of the Company at www.cvopetro.com

BAPLC Certificate

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Renewed Certificate

This is to certify that

CVO PETROCHEMICAL REFINERY PLC

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December, 2025.

Ref. No: **CM-2025/148**
Date of issue : **March 12, 2025**


BAPLC


Secretary General



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Chapter: 01

Corporate Profile

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Corporate Information

Company Name

CVO Petrochemical Refinery PLC

Date of Incorporation

09th December 1984 (as a Private Limited)

Converted into Public Limited

03rd February 1988

Converted into Fractionation Plant

29th July 2010

Date of Commercial Operation

- 02nd April 2014 (as a Condensate Fractionation Plant) &
- 15th September 2022 (SBPS Plant)

Present Listing Status

Public Limited Company

Stock Exchange Listing

Dhaka Stock Exchange PLC (DSE)
Chittagong Stock Exchange PLC (CSE)

Listing Year

DSE: 1990
CSE: 1996

Trade Code

CVOPRL

Sector

Fuel & Power

Share Capital

Authorized Capital	Tk. 1,500,000,000.00
Face Value of Share	Tk. 10.00 each
Number of Shares	27,769,500 Shares
Paid Up Capital	Tk. 277,695,000.00

Locations

Registered & Corporate Office:

37 Katalgonj, Panchlaish, Chattogram,
Bangladesh.
Contact : +8801800066551.

Dhaka Office:

Anima Vista
Flat # A-3 (3rd Floor), 30 Topkhana Road,
Paltan,
Dhaka, Bangladesh.
Contact : +8801800066553.

Factory:

154 Nasirabad I/A, Baizid Bostami Road,
Chattogram, Bangladesh
Contact : +8801800066552.

Website

www.cvopetro.com

E-mail

info@cvopetro.com

Business Line

The Company operates process units for the production of two grades of high-purity Special Boiling Point Solvents (SBPS) utilizing Naphtha as the primary feedstock. In parallel, the Company maintains fractionation and distillation facilities designed for processing Natural Gas Condensate (NGC) and Diesel-Riched Condensate (DRC). Through these units, the Company produces refined petroleum streams including Motor Spirit (MS), High-Speed Diesel (HSD), and Mineral Turpentine (MTT). Product recovery is achieved through controlled distillation cut-points and optimized separation parameters to ensure compliance with Bangladesh Petroleum Corporation (BPC) specifications. All refined products are transferred to the Marketing Companies under BPC pursuant to established offtake and distribution arrangements

Corporate Directory

Board of Directors

- Mr. Shamsul Alam Shamim
Chairman
- Mr. A.H.M. Habib Ullah
Managing Director
- Mr. Md. Ali Mortuza
Director
- Mr. Md. Emranul Hoq
Director
- Mr. Mohammad Mohsin Saky
Director
- Mr. Nure Habib Noman
Director
- Mrs. Jubeda Khanam Safi
Director

Independent Directors

- Engr. Md. Mizbahur Rahman
Independent Director
- Chowdhury Mohammed Haroon
Independent Director

Audit Committee

- Engr. Md. Mizbahur Rahman -
Chairman
- Chowdhury Mohammed Haroon -
Member
- Jubeda Khanam Safi -
Member
- Khwaza Mowin Uddin Hossain -
Member Secretary

Nomination and Remuneration Committee

- Chowdhury Mohammed Haroon -
Chairman
- Engr. Md. Mizbahur Rahman -
Member
- Jubeda Khanam Safi -
Member
- Khwaza Mowin Uddin Hossain -
Member Secretary

Statutory Auditor

K.M. Hasan & Co.
Chartered Accountants
Home Town Apartments (8th & 9th Floor)
87, New Eskaton Road. Dhaka-1000.

Executive Director & Chief Auditor

- Ahmadul Haq Hasan

Operational Management Team

- Khwaza Mowin Uddin Hossain
DMD & Company Secretary
- Mohammad Abu Taleb
Chief Financial Office
- Md. Abdus Samad
DGM - Shares
- Mohammad Faruk
AGM - Finance & Accounts
- Md. Sirajul Islam
Manager - Public Relation
- Md. Iqbal Hossain Chowdhury
Manager - Factory Admin
- Md. Arifur Rahman
Manager – VAT
- Sontu Kumar Sen
Manager – Process & Operation

Compliance Auditor

Rahman Mostafa Alam & Co.
Chartered Accountants
Al Madina Tower, 6th Floor, 88/89 Agrabad C/A,
Chattogram 4100.

Legal Advisor

Syed Ishtiaq Ahmed & Associates
Law Consultants & Practitioners
Concord Ovilash, (1st Floor), House No # 62,
Road No # 11A, Dhanmondi, Dhaka.

Bankers (in Chattogram)

Sonali Bank PLC, Panchlaish Branch.
Dutch Bangla Bank Ltd., Muradpur Branch.
Exim Bank PLC, Jubilee Road Branch.
Prime Bank PLC, Muradpur Branch.
NCC Bank PLC, Agrabad Branch.
Eastern Bank PLC, Jamal Khan Branch.

Company Profile

CVO Petrochemical Refinery PLC (CVOPRL) is one of the leading private petrochemical & solvent refineries in Bangladesh, engaged in producing high-quality fuel substitutes for the country. It is the **only listed company** among the private condensate fractionation plants operating in Bangladesh.

Production Operations & Capacity

S.N	Particulars	Raw Material Source	Capacity (MT/Per Year)
01	Light Natural Gas Condensate	Different Gas Fields Under PetroBangla.	50,000
02	Naphtha	Bangladesh Petroleum Corporation (BPC)	30,000
03	Diesel-Riched Condensate	Import	25,000

The Company's **Condensate Plant** began commercial operations on **2 April 2014**, while the **Naphtha Plant** commenced operations on **15 September 2022**. Processing of **Diesel-Riched Condensate** started in **March 2024**.

CVOPRL has uniquely designed its facility to process **two different raw materials simultaneously**, giving it operational flexibility. To further enhance product quality, the Company has installed **state-of-the-art American technology and equipment**, exclusive in Bangladesh.

Raw Materials & Finished Products

1. Diesel-Riched Condensate

- Produces **High-Speed Diesel (HSD)**
- 1st consignment supplied by **Bangladesh Petroleum Corporation (BPC)** on **28th January 2024**.
- From the 2nd consignment onward, raw material will be imported directly by the Company, and the sourcing of Raw Materials is going on.

2. Naphtha

- Produces **Special Hydrocarbon Solvent (SBPS) 40/115 Grade & Industrial Grade**.
- Raw material sourced from **Eastern Refinery Limited** under BPC
- Finished products 40/115 grade sold to **Padma Oil Company Limited** under BPC, and industrial grade sold to different industries under the Company's own arrangement.

Company History & Milestones

- **1984** – Incorporated as **Chittagong Vegetable Oil Industries Limited** (Reg. No. C-13342/919, dated 9 December 1984)
- **1988** – Converted into a **Public Limited Company**
- **2010** – Permitted by the Ministry of Power, Energy & Mineral Resources (EMRD) to set up a **Condensate Fractionation Plant**
- **2014** – Commercial production of the condensate plant began (2 April)



- **2020** – Suspension of natural gas condensate supply by EMRD (effective 1 July 2020), resulting in plant shutdown from 7 July 2020
- **2022** – Naphtha plant commenced operations (15 September 2022)
- **2024** – 1st consignment of diesel-Riched condensate received from BPC (28 January 2024); production of diesel commenced

Mission

- Sustain leadership in energy conservation, efficiency, and innovation
- Capitalize on emerging domestic market opportunities via government marketing companies
- Maintain global health, safety, and environmental standards
- Commit to employee welfare and strong industrial relations
- Uphold the highest business ethics and corporate values
- Add value to national resources and contribute to national well-being

Vision & Objective

To be the **market leader in refining solvents and petrochemicals in Bangladesh**, with a strong focus on:

- Productivity
- Customer satisfaction
- Safety, health & environmental management
- Corporate social responsibility
- Employee and shareholder care

The above discussion of our Corporate Profile has represented our information, strategic direction, performance, Mission & Vision of the Company.

Chapter: 02

Directors' Report 2024-2025

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Report of the Board of Directors to the Shareholders

Dear Valued Shareholders,

Assalamualaikum Warahmatullahi Wabarakatuh,

Alhamdulillah, on behalf of the Board of Directors of CVO Petrochemical Refinery PLC, I extend a warm welcome to the 40th Annual General Meeting (AGM) of the Company. I also convey sincere appreciation for your continued support and confidence.

It is an honour for the Board of Directors to present the Directors' Report along with the Audited Financial Statements, comprising the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the financial year ended June 30, 2025.

2.1) Petroleum Product Market in Bangladesh

In Bangladesh, the demand for petroleum products continues to be driven by the industrial sector, the agricultural industry, and the steady increase in automobile usage for transportation. However, despite this underlying demand, overall sales of petroleum products during the reporting period were comparatively quite higher than in the previous year.

The year-wise sales of petroleum products by Bangladesh Petroleum Corporation (BPC) over the last five years are presented in the following table:

Particulars	Financial Year				
	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Total Sales of BPC (in MT)	6,299,730	6,887,344	7,346,095	6,727,601	6,794.770
Increase/(Decrease) (in %)	14.48%	9.33%	6.66%	-8.42%	1.00%

2.1.1) Analytical Summary

The sales performance of Bangladesh Petroleum Corporation (BPC) over the last five years reflects both periods of growth and subsequent contraction. From FY 2020–2021 to FY 2022–2023, total sales increased consistently, reaching a peak of **7.35 million MT** in FY 2022–2023. However, in FY 2023–2024, sales declined by **8.42%**, primarily due to adverse market conditions and external challenges. In FY 2024–2025, sales exhibited a marginal recovery of **1.00%**, indicating a stabilization trend following the previous year's downturn. This suggests a cautious but positive outlook for future demand.

As a result of overall economic growth, the number of vehicles for both personal and commercial use has increased significantly. At the same time, the fast-growing industrial sector—particularly the power, energy, agricultural, manufacturing, and processing industries—is further accelerating the demand for petroleum products.

2.2) Solvent Market in Bangladesh

The solvent market in Bangladesh is expanding rapidly; however, there are no official government statistics available to determine its exact demand. What is evident is its extensive usage across a wide range of industries, including gum, pasting, tyre, pesticide, sanitizer, glue, paint, garment washing, and many others.

CVO Petrochemical Refinery PLC (CVOPRL) is the only domestic company supplying this essential product to support the country's growing industrial demand. By ensuring a reliable local supply, CVOPRL not only

reduces the need for costly imports and foreign currency expenditure but also helps curb dependence on black market sources. In doing so, the Company plays a strategic role in strengthening industrial growth and contributing to the national economy.

2.3) Industrial Outlook & Possible Future Developments

CVO Petrochemical Refinery PLC (CVOPRL) is the only publicly listed company among the private condensate fractionation plants in Bangladesh. The Company utilizes Naphtha as a raw material to produce SBPS in compliance with Bangladesh Standards and Testing Institution (BSTI) requirements. To this end, Bangladesh Petroleum Corporation (BPC) has entered into a 5-year agreement with CVOPRL for the supply of Naphtha and a 3-year agreement for the purchase of SBPS. The Company commenced its sales operations under these agreements on September 15, 2022.

The management of CVOPRL successfully introduced this new product line without altering the existing condensate fractionation plant’s operational procedures. The plant continues to operate as before, ensuring stability in production.

On January 28, 2024, BPC supplied one consignment of Diesel Riched Condensate to CVOPRL for testing purposes, to assess the plant’s overall capacity and capability to deliver products that meet BSTI standards. Alhamdulillah, the test run was successful, and the Company produced BSTI-compliant products which were subsequently delivered to Padma Oil Company Limited.

In addition, BPC has granted approval for the Company to import up to 20,000 metric tons of diesel-Riched condensate per annum under its own commercial arrangements. In line with this approval, management has initiated preliminary sourcing activities, including evaluation of potential suppliers and assessment of logistical and storage requirements. However, prevailing high international condensate prices, coupled with relatively lower realizable prices for refined petroleum products in the domestic market, have rendered such imports economically unviable at present. Consequently, import operations are progressing at a limited pace.

Management continues to monitor global condensate market dynamics, including fluctuations in benchmark prices, freight rates, and refining margins, alongside domestic price adjustments. Should international price levels decline and domestic product pricing structures become more favorable, the Company plans to proceed with condensate imports. This would enable higher utilization of existing refinery facilities, improvement in product slate optimization, and an overall increase in production capacity to meet the steadily rising demand in the local energy market.

Looking ahead, CVOPRL remains dedicated to sustainable growth by expanding production capacity, delivering premium-quality products that align with evolving industry benchmarks, and strengthening its long-term strategic position as a key enabler of Bangladesh’s energy independence and industrial advancement.

2.4) Risks & Concerns with Mitigation Measures

Risk Category	Description	Mitigation Measures
Raw Material Supply Risk	Naphtha, the Company’s only raw material for producing Hydrocarbon Solvent, is sourced solely from Eastern Refinery Limited. Any unexpected shutdown or disruption at ERL could affect supply, though the risk is low given ERL’s strategic importance and continuous operations.	Close coordination with ERL management, monitoring production schedules, and exploring potential diversification of supply sources as permitted by BPC policy.

Energy Risk	Operations depend on continuous energy supply. Dual-fuel burners run on gas and diesel; in case of gas shortages, reliance on diesel significantly increases production costs.	Investment in dual-fuel technology, maintaining contingency fuel reserves, monitoring energy efficiency, and pursuing energy optimization initiatives.
Interest Rate Risk	The Company benefits from a flat and sustainable interest rate structure. Any upward adjustment in rates could increase financing costs and pressure profitability.	Prudent financial planning, maintaining strong relationships with lenders, and exploring refinancing opportunities for favorable terms.
International Fuel Price Volatility	Naphtha prices are tied to international benchmarks (e.g., Platts), exposing the Company to global price fluctuations caused by supply–demand dynamics, geopolitical developments, and volatility in energy markets.	Regular monitoring of global markets, aligning procurement with favorable pricing windows, and optimizing inventory levels to minimize exposure.
Political Risk	Political unrest, including blockades and transport disruptions, may hinder delivery of finished products. Prolonged instability can negatively impact operations and sales.	Flexible logistics arrangements, engagement of multiple transport providers, and close coordination with distributors to minimize supply chain disruptions.
Seasonal Risk	Demand for Hydrocarbon Solvent declines during winter and monsoon seasons due to weather-related slowdowns in downstream industries, leading to seasonal revenue fluctuations.	Diversification of customer base, forward sales planning, and effective inventory management to stabilize sales across seasons.

2.5) Business Performance

The Company is engaged in the production and sale of **Hydrocarbon Solvent (SBPS)** from Naphtha, utilizing its existing **Condensate Fractionation Plant**. The installed production capacity of the plant is **100 metric tons per day**, and commercial sales commenced on **15 September 2022**.

During the reporting year, the Company utilized **34.05%** of its total production capacity, reflecting an improvement of **11.33%** over the previous year. This increase in capacity utilization was achieved through improved operational efficiency, optimized raw material management, and enhanced production planning.

The Company successfully processed **10,214 Metric Tons of Naphtha** during the year, which represents a **49.88% growth** compared to the last fiscal year. This rise in processing volume demonstrates the Company's efforts toward maximizing throughput while maintaining stringent quality and safety standards.

As a result of these operational improvements and effective cost management, the Company recorded a **63.08% increase in net profit** compared to the previous year. This growth is considered a very satisfactory outcome, reflecting the Company's resilience, efficient resource utilization, and commitment to sustainable financial performance.

2.6) Financial Result at a glance of the Year 2024–2025 and 2023-2024

Particulars	2024–2025	2023–2024	Growth/Change	Remarks
Gross Turnover	1,326,168,490	704,923,440	+88.13 %	Higher selling prices and increased sales volume.
Net Turnover	1,153,189,991	612,976,904	+88.13 %	Driven by higher selling prices and sales volume.
Gross Profit	179,912,174	116,062,711	+55.01 %	Increase due to improved sales performance.
Gross Profit Ratio	15.60%	18.93%	-3.33 %	Decline due to higher purchase costs & factory overheads.

Net Profit After Tax	105,994,827	64,997,172	+63.08 %	Reflects for higher turnover & stronger profitability.
Net Profit Ratio	9.19%	10.60%	-1.41 %	Ratio declined despite higher net profit.
Finance Cost	21,417,246	24,116,673	-11.19 %	Lower due to improved customer collections, reducing borrowings.
Contribution to WPPF	5,803,204	3,702,004	+56.76 %	Higher contribution is aligned with improved performance.
Earnings Per Share (EPS)	3.82	2.34	+63.25 %	Increase due to higher turnover and profitability.
Net Asset Value (NAV) per Share (with Revaluation)	30.29	10.31	+193.79 %	Increase reflects land revaluation & stronger business performance.
Net Operating Cash Flow (NOCF) per Share	7.65	2.77	+176.17 %	Improved collections from customers vs. payments.
Contribution to National Exchequer	178,757,898	98,158,605	+82.11 %	Driven by higher turnover.

2.6.1) Turnover

Turnover represents the total sales of the Company during the reporting period. During FY 2024-25, both gross and net turnover increased by approximately **88.13%** compared to the previous year, reflecting strong market demand and enhanced sales performance.

2.6.2) Cost of Goods Sold (COGS)

COGS reflects the direct cost of manufacturing the products sold, including raw materials, carrying costs, fuel, and factory overheads. COGS varies proportionally with production—higher production requires higher raw materials and components.

2.6.3) Gross Profit and Gross Profit Margin

Gross Profit = Net Turnover – Cost of Goods Sold

The **Gross Profit Margin** indicates the proportion of revenue retained after covering production costs:

$$\text{Gross Profit Margin(\%)} = \frac{\text{Gross Profit}}{\text{Net Turnover}} \times 100$$

During FY 2024-25, the gross profit margin was **15.60%**, indicating improved operational efficiency and a strong financial result.

2.6.4) Net Profit and Net Profit Margin

Net Profit = Gross Profit – Operating Expenses (including Tax & WPPF)

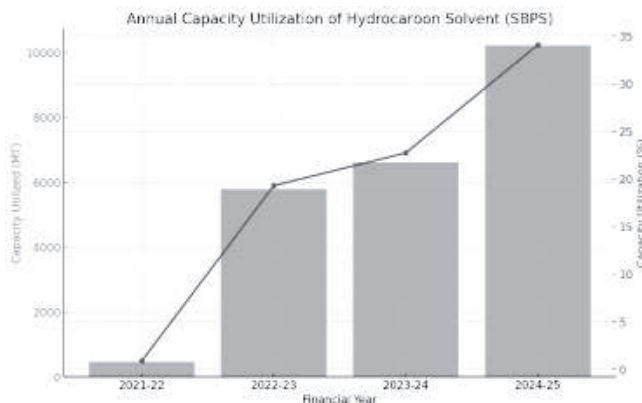
The **Net Profit Margin** stood at **9.19%** for FY 2024-25, reflect better cost management, higher sales volume & effective control over administrative & financial expenses.

2.6.5) Earnings per Share (EPS)

EPS for FY 2024-25 was **Tk. 3.82**, up from **Tk. 2.34** in 2023-24, representing a **63.25% increase**, based on the current **27,769,500 ordinary shares** of Tk. 10 each.

2.7) Capacity Utilization

Financial Year	Actual Capacity Utilized (MT)	Capacity Utilization (%)
2024–2025	10,214	34.05%
2023–2024	6,815	22.72%
2022–2023	5,787	19.29%
2021–2022	450	0.90%



Annual Capacity Utilization:

- The bar chart shows the actual production (MT) for each financial year.
- The overlaid line chart represents the capacity utilization percentage.
- This clearly illustrates the growth in production and efficiency over four years.

The Company has demonstrated a steady growth in capacity utilization, reflecting operational efficiencies, improved raw material supply, and increased market acceptance of its products.

2.8) Product Wise Performance

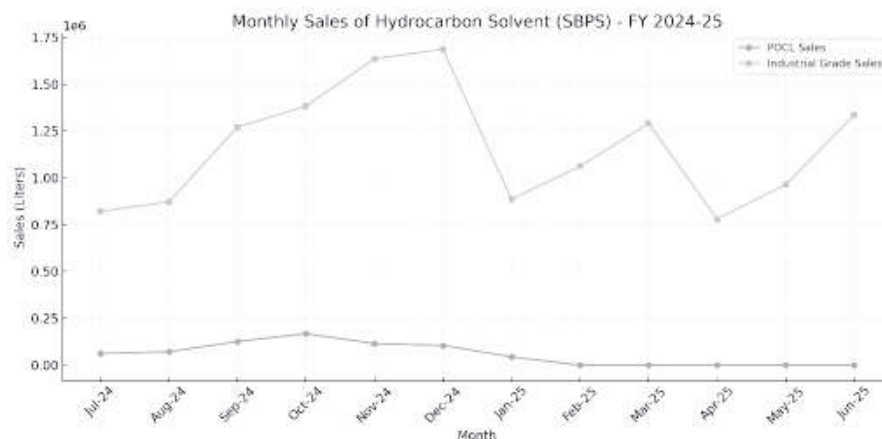
The Company produces **two grades of Hydrocarbon Solvent (SBPS)** from Naphtha supplied by BPC:

- **BSTI Grade 40–115**, manufactured according to Bangladesh Standards and Testing Institution (BSTI) specifications; and
- **Industrial Grade Solvent**, used in various downstream industrial applications.

2.9) Monthly Received and Sales

Month	ERL Received (Liters)	ERL (MT)	POCL Sales (Liters)	Industrial Grade Sales (Liters)	Total Sales (Liters)
Jul-24	-	-	62,000	821,000	883,000
Aug-24	2,353,289	1,591.81	71,000	872,000	943,000
Sep-24	1,187,770	809.11	126,000	1,270,500	1,396,500
Oct-24	1,247,061	842.64	168,000	1,383,000	1,551,000
Nov-24	1,230,213	826.95	115,000	1,635,500	1,750,500
Dec-24	1,295,724	899.49	105,000	1,686,400	1,791,400
Jan-25	1,117,101	750.92	44,000	885,900	929,900
Feb-25	-	-	-	1,061,800	1,061,800
Mar-25	2,015,565	1,358.89	-	1,290,500	1,290,500

Apr-25	1,040,246	699.25	-	780,500	780,500
May-25	2,130,865	1,427.53	-	963,500	963,500
Jun-25	1,488,441	1,007.53	-	1,334,500	1,334,500
Total	15,106,275	10,214.11	691,000	13,985,100	14,676,100



Highlights:

- Total production for FY 2024–25 reached **10,214 MT**, representing **34.05% of installed capacity**.
- Total sales reached **14,676,100 liters**, with demand consistently strong across both BSTI and Industrial Grade products.
- Variations in monthly production and sales reflect operational adjustments, raw material availability, and market-driven sales optimization.

Outlook

The Company remains focused on:

- Increasing **production efficiency** and optimizing plant utilization;
- Expanding **market penetration** for both BSTI and Industrial Grade Solvents;
- Supporting **Bangladesh's industrial and energy sectors** by ensuring a stable supply of high-quality hydrocarbon solvents;
- Exploring opportunities to **enhance capacity and diversify products** to meet growing domestic and regional demand.

2.10) Extra-Ordinary Gain/Loss

No extra-ordinary gains or losses were recorded during the reporting period under review.

2.11) 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	225,000	900,000	(900,000)	225,000	Office Rent/Security money of Dhaka Office
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	-	15,106,275	(15,106,275)	-	Carriage Inward-Oil Tanker
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	28,866,611	-	(28,866,611)	-	Short Term Loan

Remuneration of Directors, Including Independent Directors

Name	Position	Attendance Fees (tk)	Remuneration (tk)	Bonus	Total Paid
Mr. Shamsul Alam Shamim	Chairman	35,000/-	60,00,000/-	500,000	65,35,000
Mr. A.H.M. Habib Ullah	Managing Director	35,000/-	12,00,000/-	100,000	13,35,000
Mr. Md. Amin	Director	5,000/-	2,00,000/-	-	2,05,000
Mr. Md. Ali Mortuza	Director	35,000/-	12,00,000/-	100,000	13,35,000
Mr. Md. Emranul Hoq	Director	35,000/-	12,00,000/-	100,000	13,35,000
Mr. Mohammad Mohsin Saky	Director	35,000/-	12,00,000/-	100,000	13,35,000
Mr. Nure Habib Noman	Director	35,000/-	12,00,000/-	100,000	13,35,000
Mr. Engr. A.F.M. Ishaque	Independent Director	15,000/-			15,000
Mr. Engr. Md. Mizbahur Rahman	Independent Director	35,000/-			35,000
Mr. Chowdhury Mohammed Haroon	Independent Director	5,000/-			5,000

The details of the remuneration paid to the Directors during the financial year 2024-25 are given in **Note No. 37.1.3** in the Financial Statements (Page No.97)

2.12) Internal Control System

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

2.13) Management Discussion & Analysis

Details are discussed in **Annexure-E**.

2.14) Protection of Minority Shareholders' Interest

The Board of Directors of **CVO Petrochemical Refinery PLC** places the highest priority on safeguarding the interests of minority shareholders. In line with this commitment, decisions are proposed by the Board and approved by shareholders through their voting rights. Minority shareholders retain the following rights:

- To exercise their voting power,
- To receive dividends,
- To access relevant company information, and
- To review any amendments to the Memorandum and Articles of Association.

2.15) Significant Variance Between Quarterly and Annual Financial Statements

Particulars	1st Quarter	2nd Quarter	3rd Quarter	Annual
Net Turnover	256,821,296	398,574,782	256,867,826	1,153,189,991
Gross Profit	44,956,335	42,307,958	33,612,197	179,912,174
Net Profit	25,528,967	26,675,947	18,945,160	105,994,827
EPS	0.92	0.96	0.68	3.82
NAV	11.22	11.19	11.87	30.29
NOCFPS	0.48	2.00	7.69	7.65

Note: It has been seen that the company has shown a consistent financial performance during the year, and there is no significant variation between quarterly financial performance and annual financial performance. However, minor variances were noted in changes of purchase price, sales price, sales volume, and year-end adjustments or provisions, which slightly affected the quarterly financial outcomes.

2.16) Corporate and Financial Reporting Framework

The Board of Directors affirms full compliance with the **Bangladesh Securities & Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018**, ensuring adherence to the financial reporting framework:

1. Financial statements prepared by management fairly present the Company's state of affairs, results of operations, cash flows, and changes in equity.
2. Proper books of accounts are maintained.
3. Accounting policies are appropriately selected and consistently applied in the preparation of financial statements.
4. **International Accounting Standards (IAS)** and **International Financial Reporting Standards (IFRS)**, as applicable in Bangladesh, have been duly applied, and necessary disclosures provided.
5. There is no significant doubt regarding the Company's ability to continue as a going concern.

2.17) Going Concern

The Company has sufficient resources to continue its operations for the foreseeable future. Accordingly, the financial statements have been prepared on a **going concern basis**. Management's assessment confirms that no material uncertainty exists that may cast significant doubt on the Company's ability to continue its operations.

2.18) Significant Deviation in Operating Results Compared to the Previous Year

The operating results arising from the statements of profit or loss and other comprehensive income shows what the company has earned from its core business activities. During the year under review, the company achieved a net turnover of Taka 1,153,189,991/-, reflecting a significant increase compared to Taka 612,976,904/- in the previous year. Gross Profit of the company recorded of Taka 179,912,174, compared to Taka 116,062,711 in the previous year, reflecting a significant increase of Tk. 63,849,463. The company earned a net profit after tax of Tk. 105,994,827 during the year, compared to Tk. 64,997,172 in the previous year, reflecting a significant increase of Tk. 40,997,655. The Earnings per Share (EPS) increased to Taka 3.82 during the year, compared to Taka 2.34 in the previous year.

A significant deviation in the operating results was observed due to an increase in turnover, selling prices, and sales volume.

2.19) 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.

2.20) Board Meeting & Attendance

Name of Directors	Position	No. of Board Meeting	
		Held	Present
Mr. Shamsul Alam Shamim	Chairman	07	07
Mr. A.H.M. Habib Ullah	MD & CEO		07
Mr. Md. Amin	Director		01
Mr. Md. Ali Mortuza	Director		07
Mr. Md. Emranul Hoq	Director		07
Mr. Mohammad Mohsin Saky	Director		07
Mr. Nure Habib Noman	Director		07
Mrs. Jubeda Khanam Safi	Director		07
Mr. Engr. A.F.M. Ishaque	Independent Director		03
Mr. Engr. Md. Mizbahur Rahman	Independent Director		07
Mr. Chowdhury Mohammed Haroon	Independent Director		01

Note:

- 1) **Mr. Md. Amin:** ceased from directorship due to his demise on 29th September 2024.
- 2) **Mr. Engr. A.F.M. Ishaque** : retired from the position of Independent Director effective from 31st December 2024.
- 3) **Mr. Chowdhury Mohammed Haroon:** appointed as Independent Director by the Bangladesh Securities and Exchange Commission (BSEC) on 25th May 2025.



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

Particulars	Financial Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
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	277,695,000	277,695,000	277,695,000	277,695,000	252,450,000
Net Turnover	1,153,189,991	612,976,904	390,140,916	-	34,376,509
Gross Profit/(Loss)	179,912,174	116,062,711	58,367,454	(33,008,033)	(30,910,792)
Operating Profit/(Loss)	142,654,007	96,728,144	41,676,617	(47,718,659)	(44,464,963)
Profit Before Tax	116,064,087	74,040,082	17,462,546	(70,666,980)	(62,627,650)
Net Profit/(Loss) after Tax	105,994,827	64,997,172	12,901,586	(72,971,044)	(62,946,210)
Non-Current Assets	994,499,053	465,453,472	476,808,841	451,128,384	439,031,866
Current Assets	251,370,343	355,384,793	386,999,707	177,936,949	147,433,754
Current Liabilities	274,052,033	483,479,447	581,436,940	362,207,723	249,375,446
Shareholders' Equity	841,093,622	286,294,550	229,598,356	215,003,773	291,638,408
Dividend	11% Cash & 9% Stock	10% Cash	5% Cash	No Dividend	10% Stock
EPS	3.82	2.34	0.46	(2.63)	(2.49)
NAV Per Share	30.29	10.31	8.27	7.74	11.55
NOCF Per Share	7.65	2.77	1.42	(3.31)	0.91
Number of Shares	27,769,500	27,769,500	27,695,500	27,769,500	25,245,000
Market Price (DSE)	133.10	142.90	191.00	186.80	88.20
Market Price (CSE)	133.00	142.30	189.60	188.20	88.10
Sponsors'/Directors' shareholding	45.31%	45.31%	45.31%	45.31%	45.31%
Other shareholders holding	54.69%	54.69%	54.69%	54.69%	54.69%

2.22) Shareholders Pattern

The Shareholders pattern of the Company at the year ended on June 30, 2025, is shown as follows:

Name of the Shareholders	Status	Share Held	% of Shareholding
A) Sponsors & Directors			
Mr. Shamsul Alam Shamim	Chairman	2,585,184	9.31
Mr. A.H.M. Habib Ullah	MD & CEO	1,943,866	7.00
Mr. Md. Amin	Director	1,319,049	4.75
Mr. Md. Ali Mortuza	Director	1,319,049	4.75
Mr. Md. Emranul Hoq	Director	1,319,049	4.75
Mr. Mohammad Mohsin Saky	Director	1,319,050	4.75
Mr. Nure Habib Noman	Director	1,319,051	4.75
Mrs. Jubeda Khanam Safi	Director	590,101	2.12
Mr. Md. Mansur Alam	Sponsor	149	0.00
Mrs. Joynab Rifat	Sponsor	590,101	2.12
Mrs. Fazilatun Nahar	Sponsor	277,695	1.00
Mr. Engr. A.F.M Ishaque	Independent Director	-	-
Mr. Engr. Md. Mizbahur Rahman	Independent Director	-	-
Mr. Chowdhury Mohammed Haroon	Independent Director	-	-
Total Sponsors & Directors (A)		12,582,344	45.31
B) Others			
General Public		10,417,661	37.52
Institutions		4,724,745	17.01
Foreign (NRB)		44,750	0.16
Total Others (B)		15,187,156	54.69
Total Shareholdings (A+B)		27,769,500	100.00
Name of the Shareholders	Status	Share Held	% of Shareholding
i) Parent/Subsidiary/Associated Companies & Other Related Parties			
NOT APPLICABLE			
ii) Sponsors & Directors	Details are mentioned at above table	12,582,344	45.31
iii) Chief Financial Officer, Head of Internal Audit & Company Secretary			
Mr. Ahmadul Haq Hasan	ED & Chief Auditor	0	0
Mr. Khwaza Mowin Uddin Hossain	DMD & Company Secretary	0	0
Mr. Mohammad Abu Taleb	Chief Financial Officer	0	0
iv) Executives (Top Five Employees other than CFO, HIA & CS)			
Mr. Md. Abdus Samad	DGM – Shares	0	0
Mr. Mohammed Faruk	AGM – F&A	0	0
Mr. Iqbal Hossain Chowdhury	Manager-Admin	0	0
Mr. Md. Serajul Islam	Manager – Public Relations	0	0
Mr. Md. Arifur Rahman	Manager – VAT	0	0
Mr. Sontu Kumar Sen	Manager – Process & Op	0	0
v) Shareholders holding 10% or more			
NOT APPLICABLE			

2.23) Contribution to the National Exchequer

The Company is regularly paying VAT and Tax on time. The deposits of VAT and Tax to the National Exchequer for the last 03 (three) years are shown below:

Particulars	Financial Year		
	2024-25 (Tk.)	2023-24 (Tk.)	2022-23 (Tk.)
Sales VAT	172,978,499	91, 946, 536	58, 687, 021
Income Tax	5,779,399	6, 212, 069	3, 604, 817
Total	178,757,898	98, 158, 605	62, 291, 838

During the financial year, the Company has contributed an amount of Tk. 178,757,898 (Including VAT & Tax) to the national exchequer as against Tk. 98,158,605 in the previous financial year.

2.24) Dividend

The Board of Directors remains steadfast in its commitment to safeguarding the interests of our esteemed shareholders. During the financial year, the Company achieved a remarkable increase in turnover, driven by higher selling prices and increased sales volumes. This growth translated into a positive Earnings Per Share (EPS), reflecting the Company's strengthened profitability.

As of 30th June 2025, the Company's retained earnings stood at Taka 65,117,890, a significant improvement from the negative balance of Taka 2,507,954 in the previous year—a truly remarkable performance. Considering the overall financial position for the year 2024-25, the Board has resolved to recommend a 11% Cash Dividend and 9% Stock Dividend from the current year's profit. This proposal will be submitted for approval at the 40th Annual General Meeting (AGM). The Board has also decided that no interim dividend will be issued.

The Board expresses its sincere gratitude to all shareholders for their continued trust and support and remains committed to creating sustainable value while fostering long-term growth for all stakeholders.

2.25) Unclaimed Dividend

Year-wise unclaimed Dividend:

Financial Year	Declaration (%)	Types of Dividend	2025 Taka
2022-2023	5%	Final	269,807
2023-2024	10%	Final	454,794
Total			724,601

The company has transferred the Unclaimed Dividend period from the beginning, FY 1990-91 to FY 2020-21 to "Capital Market Stabilization Fund (CMSF)" according to the directive no. BSEC/CMRRCD/2021-386/03-dated 14 January 2021 of Bangladesh Securities and Exchange Commission. Details of unclaimed dividends have been disclosed on the Company's website www.cvopetro.com.

2.26) Dividend Policy

Ethics refers to principles that distinguish right from wrong and good from bad. In the corporate context, **good governance** is an extension of ethics, encompassing the systems, principles, and processes that guide public service organizations and businesses alike.

Ethics guides how an organization manages its environment, balancing the needs of current stakeholders while preserving the company's ability to thrive for future generations. Since a corporation is, in theory, an entity that exists beyond the lifespan of individual shareholders, governance must ensure efficiency, sustainability, and equity. Decisions made today should generate value for the present without compromising the welfare of future shareholders. For instance, prioritizing immediate dividend payouts without considering long-term consequences may benefit current shareholders but could disadvantage future cohorts.

At **CVO Petrochemical Refinery PLC**, the Board of Directors upholds the highest standards of **business ethics**, emphasizing **Commitment, Goodwill, Reliability, and Transparency**. In line with this principle, the company has published its **Dividend Disbursement Policy** on its website (www.cvopetro.com) to ensure clarity and informed decision-making for shareholders.

The Company is committed to a **Balanced Distribution Policy**, sharing accretional wealth (profits) between current and future shareholders. This approach not only enhances shareholder value but also ensures the long-term sustainability and growth of the Company, benefiting both present and future generations.

2.27) Dividend Equalization Reserve

In order to ensure stability in dividend distribution and strengthen shareholders' confidence, the Board of Directors has approved the **Dividend Equalization Reserve** during the year. Dividend payments often vary due to fluctuations in annual profits, which may affect shareholder expectations and market confidence. Furthermore, the Company retains the option to use the fund as working capital, if needed.

Considering this, the Board has deemed it prudent to set aside **10% of the profit of the current financial year** to establish the said reserve. The purpose of this reserve is to stabilize dividend payments in future years and maintain consistency in dividend declarations.

The **Dividend Equalization Reserve** will be presented separately in the Statement of Changes in Owners' Equity and managed in compliance with the provisions of the **Companies Act**, applicable **Accounting Standards**, and relevant **regulatory guidelines**. The Company may, if required, utilize the fund as working capital in the ordinary course of business.

2.28) Rotation of Directors

The Company's Board of Directors 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 (1/3) of the 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 the 40th Annual General Meeting (AGM), who have been the longest in office since their last election and are eligible, offers themselves for re-election. Their short resume is stated in **Annexure-D**.

2.29) 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. Chowdhury Mohammed Haroon, Independent Director - Member
- Mrs. Jubeda Khanam Safi, Director - Member
- Mr. Khwaza Mowin Uddin Hossain, DMD & Company Secretary - Member Secretary

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

2.30) 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. Chowdhury Mohammed Haroon, Independent Director - Chairman
- Mr. Engr. Md. Mizbahur Rahman, Independent Director - Member
- Mrs. Jubeda Khanam Safi, Director - Member
- Mr. Khwaza Mowin Uddin Hossain, DMD & 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**.

2.31) Qualified Opinion from the Statutory Auditor and Directors' Response

S.N.	Qualified Opinion Details	Directors' Response
01	There is no business relation with Sylhet Gas Fields Limited for more than 5(Five) years. But the security deposit with them amounting to taka 45,00,000 remained outstanding till date. In our opinion, the recovery of this amount has become doubtful but no provision has provided for in these financial statements.	<p>The Company has communicated with Sylhet Gas Fields Limited (SGFL) regarding the recovery of the Security Deposit. Management is actively pursuing the matter to realize the amounts at the earliest.</p> <p>Additionally, the Statutory Auditor of SGFL, M/S. Khan Wahab Shafique Rahman & Co., Chartered Accountants has sent a balance confirmation letter regarding the "Security Money" of Tk. 45,00,000, issued on 17-08-2025, which clearly confirms that our security deposit has been properly recorded in their books of accounts.</p> <p>The Management of the Company is making every effort to recover the amount held in SGFL's account and aims to realize the receivable at the earliest possible time.</p>

02	<p>Advance against raw materials to Sylhet Gas Fields Limited amounting to Taka 17,53,444 remained outstanding for more than 5(five) years. The agreement in this respect with Sylhet Gas Fields Limited expired in 30 June 2020. Hence, the recovery of the amount has become doubtful but no provision has been provided for in these financial statements.</p>	<p>Director's Reply: The Company has communicated with Sylhet Gas Fields Limited (SGFL) regarding the recovery of the Advance Deposit against Condensate. Management is actively pursuing the matter to realize the amounts at the earliest.</p> <p>Additionally, the Statutory Auditor of SGFL, M/S. Khan Wahab Shafique Rahman & Co., Chartered Accountants has sent a balance confirmation letter regarding the "Security Money" of Tk. 17,53,444, issued on 07-08-2025, which clearly confirms that our advance has been properly recorded in their books of accounts.</p> <p>The Management of the Company is making every effort to recover the amount held in SGFL's account and aims to realize the receivable at the earliest possible time.</p>
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2.32) Declaration 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**.

2.33) 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: June 03, 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 have been duly complied with as per status of Compliance outlined in **Annexure-C**.

2.34) Appointment of Statutory Auditor

K.M. Hasan & Co., Chartered Accountants, has completed its 2nd year services with the Company as a statutory auditor. As per BSEC rules, they shall retire at the 40th Annual General Meeting (AGM). **K.M. Hasan & Co., Chartered Accountants**, has expressed interest in being re-appointed as Statutory Auditor for the financial year 2025-26. The Company's Board of Directors was satisfied with their profile and recommended to appoint as Statutory Auditor **K.M. Hasan & Co., Chartered Accountants** for the next financial year 2025-26, subject to approval by the shareholders in the 40th Annual General Meeting.

2.35) Appointment of Compliance Auditor

Rahman Mostafa Alam & Co., Chartered Accountants, has completed 2024-2025 financial year compliance audit services with the Company as the compliance auditor. **Rahman Mostafa Alam & Co., Chartered Accountants**, has expressed their interest to be re-appointed as Compliance Auditors for the financial year 2025-26. The Board of Directors of the Company was satisfied with their profile and recommended to appoint as Compliance Auditor **Rahman Mostafa Alam & Co., Chartered Accountants** for the next financial year 2025-26 subject to approval by the shareholders in the 40th Annual General Meeting (AGM). Certificate on the compliance of Corporate Governance Code issued by the Compliance Auditor **Rahman Mostafa Alam & Co., Chartered Accountants** required under condition No. 9(1) enclosed in **Annexure-B**.

2.36) Website

The Company maintains an official website namely 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.

2.37) Appreciation

The Board of Directors of **CVO Petrochemical Refinery PLC** extends its profound appreciation to the esteemed shareholders and all stakeholders for their continued trust, confidence, and support, which have been instrumental in the Company's sustained growth and achievements.

The Board also wishes to acknowledge the invaluable guidance, cooperation, and support provided by a wide range of institutions, regulatory bodies, and partners, without which the Company's operational and strategic successes would not have been possible. These include **Government of Bangladesh, Ministry of Power, Energy & Mineral Resources, Board of Investment (BOI), National Board of Revenue (NBR), Bangladesh Petroleum Corporation (BPC), Padma Oil Company Limited (POCL), Meghna Petroleum Limited (MPL), Jamuna Oil Company Limited (JOCL), Department of Environment (DOE), Department of Explosives, 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 Standards and Testing Institute (BSTI), Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange PLC (DSE), Chittagong Stock Exchange PLC (CSE), Central Depository Bangladesh Limited (CDBL), Registrar of Joint Stock Companies & Firms (RJSC), Our bankers, auditors, legal advisors, and other partners.**

On behalf of the Board of Directors,



Shamsul Alam Shamim
Chairman



**CVO Petrochemical Refinery PLC
Declaration by CEO and CFO**

Date: September 27, 2025

The Board of Directors
CVO Petrochemical Refinery PLC
37 Katalgonj, Panchlaish, Chittagong.

Subject: Declaration on Financial Statements for the year ended on June 30, 2025.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: June 03 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of CVO Petrochemical Refinery PLC for the year ended on June 30, 2025 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2025 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,

A.H.M. Habib Ullah
Chief Executive Officer

Mohammad Abu Taleb
Chief Financial Officer

Compliance Certificate



Solution...Begins

Rahman Mostafa Alam & Co.
Chartered Accountants



**Report to the Shareholders of
CVO Petrochemical Refinery PLC
On
Compliance on the Corporate Governance Code
For the year ended on 30 June 2025**

We have examined the compliance status to the Corporate Governance Code by CVO Petrochemical Refinery PLC for the year ended on 30 June 2025. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission except the condition no. 1(2)(d) and condition no. 1(4)(c).
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory except as stated in above said point (a).

**Chattogram,
Dated: 27 October 2025**

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

**Arafat Kamal FCA
Partner
ICAB Enrollment No: 1184
FRC Enlistment No: CA-001-210**

Principal Office

Paramount Heights (7th Floor- D2 & C1)
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Phone : +88 02 223383448, 47122659, Cell : +88 01819 225339,
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Panthapath Branch (Dhaka)

Fare Diya Complex, Flat No. 2/D, 2nd floor
11/B/F, Free School Street, Panthapath, Dhaka-1205.
Cell : +88 01821 893047
Email: info@dhaka.rmabd@gmail.com
Web : www.rmabd.com

Agrabad Branch (Chattogram)

Al-Madina Tower, (6th floor), 88/89, Agrabad C/A,
Chattogram-4100. Phone : +88 02 33325314,
Cell : +88 01818 127520, +88 01819 225339
Email : rmactg@gmail.com



Annexure-C

[Status of compliance under condition no. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80** dated **June 03, 2018** issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	\checkmark		
1(2)	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	\checkmark		
1(2)(b)(i)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director- Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	\checkmark		
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	\checkmark		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	\checkmark		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	\checkmark		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	\checkmark		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	\checkmark		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	\checkmark		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	\checkmark		



1(2)(b)(ix)	Who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;		√	The Company applied for the approval of BSEC as at 03 December 2024 but BSEC did not Approved the appointment until 25 May 2025
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			Not Applicable
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or			Not Applicable
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not Applicable



1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			Not Applicable
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or Experiences may be relaxed subject to prior approval of the Commission.	√		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;		√	
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			Not applicable
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			Not applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		



1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			Not Applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)(a)	A brief resume of the director;	√		



1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			Not applicable
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholder does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		



1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and interdependency.	√		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS).			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with the prior approval of the Commission; Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			Not applicable
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			



3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and	√		
	belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;			
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	BOARD OF DIRECTORS' COMMITTEE			
4(i)	Audit Committee;	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non- executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			Not applicable
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		



5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			Not Applicable
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee.	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		



5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;			Not applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its Activities to the Board.			Not applicable
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;			Not applicable
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not applicable
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			Not applicable
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Not applicable
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			Not applicable
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the Issuer company.			Not applicable
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		



6(2) Constitution of the NRC				
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			Not applicable
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3) Chairperson of the NRC				
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			Not Applicable
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
6(4) Meeting of NRC				
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			Not applicable
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		



6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)(i)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board: formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	√		



7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these Conditions or not.	√		

Brief Resume of Board of Directors'

Mr. Shamsul Alam Shamim, Chairman

Mr. Shamsul Alam Shamim, the third son of Late Alhaj Mowlana Mohammed Younus and Late Mrs. Salema Begum, was born on 7 March 1958. He is a highly experienced industrialist in the petrochemical sector, widely recognized for his vision, entrepreneurship, and ability to identify and develop new business opportunities.

Following the demise of the Company's Founder Chairman, Late Alhaj Mowlana Mohammed Younus, Mr. Shamim was nominated as Chairman. He is one of the Founder and Sponsor Directors of the Company, the Managing Partner of M/s. Alhaj Younus & Co., and the Proprietor of SAS Corporation.

During a period of severe economic challenges for Chittagong Vegetable Oil Industries Limited, Mr. Shamim demonstrated exceptional foresight and leadership by converting the vegetable oil plant into a Condensate Fractionation Plant. His determination and strategic direction turned a seemingly impossible initiative into a remarkable industrial achievement.

In June 2020, when the Ministry of Power, Energy & Mineral Resources suspended the supply of condensate to all fractionation plants in Bangladesh, Mr. Shamim once again took decisive measures to sustain operations. Under his guidance, the Company diversified its business model and began producing Solvent from Naphtha by installing specialized machinery while retaining the original process design of the Condensate Fractionation Plant. Through his resilience and visionary leadership, the Company successfully revived its operations and restored growth momentum.

Mr. Shamim holds a Bachelor of Commerce (Pass) degree from the University of Chittagong and has been engaged in the industrial sector for nearly 45 years. He has traveled extensively for business purposes to the USA, Canada, several European countries, North Korea, Singapore, Thailand, and India.

Beyond his business ventures, Mr. Shamim is deeply committed to social welfare and philanthropy. He is a lifetime member of several notable organizations, including the Bangladesh Red Crescent Society, Bangladesh Lions Foundation (Dhaka), Bangladesh Diabetic Association, Bangladesh National Society for the Blind (BNSB), Chittagong Press Club, Jamiatul Falah, Ma-O-Shishu Hospital, Family Planning Association, and the Chittagong Foundation Trust.

He has also served in leadership roles in various community and industry associations, including:

Board Member, National Anti-Tuberculosis Association of Bangladesh (NATAB)

Former Senior Vice President, NATAB (1978–2011)

Former President, Chittagong District Tank Lorry Owners Association (since 1992)

Vice President, Anjuman-E-Mofidul Islam, Chittagong

Founder Vice President, Petrochemical Refiners' Association of Bangladesh (PRAB)

Present President, Citizen Forum, Panchlaish Model Police Station.

Mr. Shamim has two sons and one daughter. Both sons have completed their higher education in the United States of America and currently hold prominent positions in their respective professional fields. His only daughter is pursuing her studies at a university in the United States of America.

Mr. A.H.M. Habib Ullah, Managing Director & CEO

Mr. A.H.M. Habib Ullah, the fourth child of Late Alhaj Mowlana Mohammed Younus and Late Mrs. Salema Begum, was born on 7 August 1960. He is one of the Founder/Sponsor Directors of the Company.

With over 30 years of business experience, Mr. Habib provides visionary leadership to the Company. As Managing Director, he actively oversees daily operations and has introduced modern management practices, promoting teamwork and efficiency across all levels.

He holds a B.Sc (Honours) in Physics (1984) and an M.Sc in Physics (1986) from the University of Chittagong. He is also the General Secretary of the Chittagong University Physics Alumni Association.

Mr. Habib has traveled widely for business purposes to countries including USA, UK, Thailand, Dubai, Saudi Arabia, Singapore, Malaysia, and India.

Socially, he is engaged with several organizations, including Anjuman Mofidul Islam (Chittagong), Chittagong Club Limited, NATAB, Katalgonj Jame Masjid, and Nasirabad Housing Society.

Mr. Habib is blessed with two sons — the elder is a physician, and the younger is pursuing higher studies in the USA.

Mr. Md. Ali Mortuza, Director

Mr. Md. Ali Mortuza, the sixth child of Late Alhaj Mowlana Mohammed Younus and Late Mrs. Salema Begum, was born on 12 September 1965. He is a Founder/Sponsor Director of the Company and holds a degree from the University of Chittagong.

He has more than 20 years of experience in the oil sector and has traveled to the UAE, India, Thailand, Malaysia, and Indonesia for business purposes.

Mr. Md. Emranul Hoq, Director

Mr. Md. Emranul Hoq, the eighth child of Late Alhaj Mowlana Mohammed Younus and Late Mrs. Salema Begum, was born on 1 January 1969. He is a Founder/Sponsor Director.

Mr. Emran holds an M.Com in Management from the Government College of Commerce, Chittagong, under the National University of Bangladesh, and has over 20 years of experience in the oil sector. He is a Partner of M/s. Alhaj Younus & Co.

He is also actively involved in social welfare organizations, serving as:

Executive Member, NATAB (Chittagong)

President, Katalgonj Samaj Kallyan Parisad

President, Voice of America Fan Club (Chittagong District)

Mr. Mohammad Mohsin Saky, Director

Mr. Mohammad Mohsin Saky, the ninth child of Late Alhaj Mowlana Mohammed Younus and Late Mrs. Salema Begum, was born on 21 November 1972. He is a Founder/Sponsor Director of the Company and a Partner of M/s. Alhaj Younus & Co. He graduated from the Government College of Commerce, Chittagong, under the National University of Bangladesh, and has about 20 years of experience in the oil sector. He has traveled for business to India, Nepal, Thailand, Malaysia, and the UK.

Mrs. Jubeda Khanam Safi, Director

Mrs. Jubeda Khanam Safi, the younger sister of the Present Chairman and Managing Director, was born on 1 January 1971. She is a Founder/Sponsor Director of the Company.

Mrs. Safi has extensive experience—over 15 years—in finance, accounts, audit, compliance, and office management. She entered the fuel business following her graduation and has since been an active entrepreneur. She has traveled to Thailand, the UAE, India, Singapore, and Malaysia for business purposes.

Mr. Nure Habib Noman, Director

Mr. Nure Habib Noman, the tenth child of Late Alhaj Mowlana Mohammed Younus and Late Mrs. Salema Begum, was born on 20 May 1973. He is a Founder/Sponsor Director and a Partner of M/s. Alhaj Younus & Co.

He graduated from the Government College of Commerce, Chittagong, under the National University of Bangladesh, and has more than 15 years of experience in the oil sector. He has traveled to India and Saudi Arabia for business purposes.

Mr. Engr. Md. Mizbahur Rahman, Independent Director

Mr. Engr. Md. Mizbahur Rahman was born on 30 November 1954. He completed his B.Sc. in Electrical Engineering from Chittagong Engineering College (now CUET) in 1981.

He has over 30 years of professional experience in engineering and management. During his tenure as Managing Director of Eastern Cables Limited, one of the leading listed engineering companies in Bangladesh, he introduced key reforms that significantly improved the Company's performance.

Mr. Chowdhury Mohammed Haroon, Independent Director

Mr. Chowdhury Mohammed Haroon, son of Late Abdul Goni Chowdhury and Mrs. Safura Begum, was born on 2 September 1961 in Chapachori, Banskhali, Chattogram. He completed his S.S.C. (1977) from Govt. Muslim High School and H.S.C. (1980) from Chittagong College, both under the Comilla Board, securing First Division. He obtained his B.Sc. (Honours) in Chemistry in 1984 and M.Sc. (Thesis) in 1986 from the University of Chittagong, achieving First Class.

Mr. Haroon began his professional career in 1987 as an Assistant Chemist at Chatak Cement Co. Ltd. (BCIC) and later held key positions at Chattogram Chemical Complex, DAP Fertilizer, and TSP Fertilizer Limited, where he rose to General Manager (Operations). He also served as Managing Director of Osmania Glass Sheet Factory and TSP Fertilizer, BCIC, Chattogram.

He has received specialized training in fertilizer plant operations and management in China, France, and the Netherlands, and conducted field visits to rock phosphate mines in Morocco. His M.Sc. thesis on Quadridentate SNNS Ligand Complexes was published in the International Journal of Transition Metal Chemistry (1992).

With over three decades of experience in the chemical and fertilizer industries, Mr. Haroon brings deep expertise in corporate governance, management, and strategic leadership.

Management Discussion & Analysis

Overview 2024-25

The management has observed that the Company's financial position and earnings during the financial year 2024–25 demonstrated satisfactory growth, primarily attributable to an increase in both selling prices and sales volume. This resulted in a comparatively stronger performance than the preceding year. The Board of Directors and management remain confident that, supported by favorable market dynamics and the Company's strategic initiatives, business activities will continue to strengthen and create sustainable value for shareholders in the coming years.

Accounting Policies & Estimation for Preparation of Financial Statements

The management has ensured strict compliance with the *International Accounting Standards (IAS)* and *International Financial Reporting Standards (IFRS)* in the preparation and presentation of the financial statements. The accounting policies and estimates adopted have been applied consistently throughout the reporting period and are in conformity with those followed in previous periods, thereby ensuring full regulatory compliance and transparency.

Changes in Accounting Policies & Estimation

The Company applies revaluation model to its land except it there was no changes occurred in accounting policies and estimation during the reporting year.

Comparative Analysis of Operational and Financial Performance of Last 05 (five) Years

Particulars	Financial Year				
	2024-25	2023-24	2022-23	2021-22	2020-21
Net Turnover	1,153,189,991	612,976,904	390,140,916	-	34,376,509
Gross Profit/(Loss)	179,912,174	116,062,711	58,367,454	(33,008,033)	(30,910,792)
Operating Profit/(Loss)	142,654,007	96,728,144	41,676,617	(47,718,659)	(44,464,963)
Profit Before Tax	116,064,087	74,040,082	17,462,546	(70,666,980)	(62,627,650)
Net Profit/(Loss) after Tax	105,994,827	64,997,172	12,901,586	(72,971,044)	(62,946,210)
Non-Current Assets	994,499,053	465,453,472	476,808,841	451,128,384	439,031,866
Current Assets	251,370,343	355,384,793	386,999,707	177,936,949	147,433,754
Current Liabilities	274,052,033	483,479,447	581,436,940	362,207,723	249,375,446
Shareholders' Equity	841,093,622	286,294,550	229,598,356	215,003,773	291,638,408
Earnings Per Share (EPS)	3.82	2.34	0.46	(2.63)	(2.49)
Net Asset Value Per Share	30.29	10.31	8.27	7.74	11.55
Net Operating Cash Flow Per Share	7.65	2.77	1.42	(3.31)	0.91

Comparative Financial Performance of CVO Petrochemical Refinery PLC with the Peer Industry Scenario

CVO Petrochemical Refinery PLC is the only publicly listed company among the 14 (fourteen) condensate fractionation plants operating in Bangladesh. Unlike its peers, which are privately held and not required to disclose financial or operational information, the Company, as a listed entity, maintains a higher standard of transparency and accountability. While this limits the scope for direct peer-to-peer financial comparison, it

also underscores the Company's unique position in the industry as the sole operator providing shareholders and stakeholders with full disclosure in line with regulatory requirements.

Financial & Economic Scenario

The petroleum products market in Bangladesh has experienced rapid expansion in recent years, driven by rising demand from the industrial sector, agriculture, and the growing number of automobiles for both personal and commercial use. The country's fast-developing industries—particularly in power, energy, agro-processing, and manufacturing—have further accelerated the demand for petroleum products.

The annual domestic demand for petroleum products is estimated at approximately 73 lakh metric tons. Of this, Eastern Refinery Limited, the only state-owned refinery, supplies around 15 lakh metric tons, while other government and private condensate fractionation units (CRUs) contribute about 5 lakh metric tons. The remaining shortfall is met through imports by the Bangladesh Petroleum Corporation (BPC), resulting in significant foreign currency expenditure.

CVO Petrochemical Refinery PLC plays a vital role in bridging this supply gap by producing petrochemical products locally. As an effective import substitute, the Company not only supports conservation of foreign currency but also contributes meaningfully to the national exchequer. Looking ahead, with continued industrial growth and rising energy demand, CVO is well-positioned to expand its production capacity, strengthen market share, and further enhance its contribution to Bangladesh's energy security and sustainable economic development.

Financial Risk Management

The management of the Company has overall responsibility for establishing and overseeing the Company's risk management framework. The Company's risk management policies are designed to identify and analyze the risks faced, set appropriate risk limits and controls, and monitor risks and adherence to these limits. The Company is exposed to the following risks arising from its use of financial instruments:

- **Credit Risk**
- **Liquidity Risk**
- **Market Risk**
- **Interest Rate Risk**

This section presents the Company's exposure to each of the above risks, along with its objectives, policies, and processes for measuring and managing these risks.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer, including the default risk of their industry and the financial strength of the customer. Geographically, there is no significant concentration of credit risk.

The Company has an agreement with **Bangladesh Petroleum Corporation (BPC)** to sell SBPS 40–115 grade and Diesel products on credit. As BPC is a state-owned organization, the credit risk is minimal. Additionally, the Company has an agreement with **M/S T. S. Traders** to sell SBPS industrial grade products on a credit advance basis. The management actively monitors these arrangements, ensuring that credit risk remains under control.



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 manages liquidity risk by maintaining sufficient cash and cash equivalents to meet its liabilities under normal and stressed conditions, without incurring unacceptable losses or jeopardizing its reputation. Typically, the Company ensures that sufficient liquidity is available to cover expected operational expenses for an appropriate period. This excludes extreme, unpredictable events such as natural disasters. The management considers the Company's liquidity risk to be under control.

Market Risk

Market risk is the risk that changes in market conditions, such as foreign exchange rates, interest rates, or commodity prices, may affect the Company's income or the value of its financial instruments. The objective of market risk management is to monitor, manage, and control these exposures within acceptable parameters while optimizing returns.

Interest Rate Risk

Interest rate risk arises from fluctuations in borrowing costs due to changes in interest rates. The Company's short-term bank borrowings are not significantly affected by interest rate fluctuations. As of the reporting date, the Company has not entered into any derivative instruments to hedge against interest rate risk.

Financial Risk Management are discussed in Note No. 4.0 in the Financial Statements (Page No. 79).

Future Plan for Company's Operation, Performance & Financial Position

The Board of Directors and Management of the Company have commenced production of Naphtha and initiated sales of SBPS to the Government and other customers. Earnings from SBPS are expected to make a significant contribution to the Company's overall revenue and financial performance in the current fiscal year.

Furthermore, the import of Diesel-Riched Condensate as raw material facilitates the simultaneous production of both Naphtha and Condensate, enabling the Company to operate at over 34.75% of its production capacity. This optimized utilization of facilities is projected to enhance operational efficiency by 20–30% and strengthen overall profitability.

Looking ahead, the Board and Management remain committed to sustaining this growth momentum by reinforcing financial performance, improving operational efficiency, and strategically positioning the Company for continued expansion in both domestic and regional petrochemical markets.

A.H.M. Habib Ullah
Managing Director & CEO

Key Financial Highlights

Net Turnover (Tk)

Financial Year	2024-25	2023-24	2022-23	2021-22	2020-21
Net Turnover	1,153,189,991	612,976,904	390,140,916	-	34,376,509

Gross Profit / (Loss) and Gross Profit Ratio

Financial Year	2024-25	2023-24	2022-23	2021-22	2020-21
Gross Profit / (Loss)	179,912,174	116,062,711	58,367,454	(33,008,033)	(30,910,792)
Gross Profit Ratio	15.60%	18.93%	14.96%	-	-89.92%

Net Profit / (Loss) after Tax and Net Profit Ratio

Financial Year	2024-25	2023-24	2022-23	2021-22	2020-21
Net Profit / (Loss)	105,994,827	64,997,172	12,901,586	(72,971,044)	(62,946,210)
Net Profit Ratio	9.19%	10.60%	3.31%	-	-183.11%

Earnings Per Share (EPS) (Tk)

Financial Year	2024-25	2023-24	2022-23	2021-22	2020-21
EPS	3.82	2.34	0.46	(2.63)	(2.49)

Net Asset Value Per Share (NAVPS) (Tk)

Financial Year	2024-25 (With Revaluation)	2023-24	2022-23	2021-22	2020-21
NAVPS	30.29	10.31	8.27	7.74	11.55

Net Operating Cash Flow Per Share (NOCFPS) (Tk)

Financial Year	2024-25	2023-24	2022-23	2021-22	2020-21
NOCFPS	7.65	2.77	1.42	(3.31)	0.91

Audit Committee Report to the Board of Directors

The Audit Committee of CVO Petrochemical Refinery PLC is composed of 03 (three) Directors of whom 02 (two) are Independent Directors and 01 (one) is Director of the Company. The Independent Director is Chairman of the Audit Committee. The Company Secretary acts as Secretary of the Audit Committee. As a sub-committee of the Board of Directors, the Audit Committee is responsible to the Board. They assist the Board of Directors in ensuring that the financial statements of the Company reflect true and fair view of the state of affairs of the Company and that a good monitoring system is maintained within the business.

The Audit Committee consists of the following persons:

Mr. Engr. Md. Mizbahur Rahman, Independent Director	- Chairman
Mr. Chowdhury Mohammed Haroon, Independent Director	- Member
Mrs. Jubeda Khanam Safi, Director	- Member
Mr. Khwaza Mowin Uddin Hossain, DMD & Company Secretary	- Member Secretary

The scope of Audit Committee was defined as under:

- a. Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- b. Monitor and oversee choice of accounting policies and principles, internal control, risk management process, auditing matter, hiring and performance of external auditors;
- c. Review statement of significant related party transactions submitted by the management. Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- d. Review and consider the report of internal auditors and statutory auditors' observations on internal control.
- e. The Committee comprises of four members including 01 (one) Independent Director of whom 02 (two) are Directors of the Board and another 01 (one) is Company Secretary. The Chairman of the Committee is appointed by the Board of Directors and is an Independent Director. The Company Secretary functions as the Secretary of the Audit Committee. Meetings of the Committee are attended by the Directors. Head of Internal Audit and the External Auditors attend on invitation. All members of the Committee are financially literate and able to interpret Financial Statements and assess the adequacy of the internal control processes.

Audit Committee Meeting:

Name of Members	Position in the Audit Committee	No. of Audit Committee Meeting	
		Held	Present
Mr. Engr. Md. Mizbahur Rahman	Chairman	06	06
Mr. Engr. A.F.M Ishaque	Member		04
Mrs. Jubeda Khanam Safi	Member		06
Mr. Khwaza Mowin Uddin Hossain	Member Secretary		06



Activities carried out during the year.

The Committee rigorously reviewed the integrity of the quarterly, half-yearly, and annual financial statements and recommended them for approval by the Board. In fulfilling its mandate, the Committee oversaw and evaluated the internal audit processes, monitored the preparation of financial reports, and reviewed the findings of external audits. Based on its review, the Committee is satisfied that robust systems and controls are in place to ensure accurate, transparent, and reliable reporting. No material deviations, discrepancies, or adverse findings were identified, confirming that the Company's financial statements present a true and fair view of its operations and financial position in full compliance with applicable accounting standards and regulatory requirements.

Looking forward, the Committee remains committed to continuously enhancing the Company's governance framework, strengthening internal control mechanisms, and adopting best practices in risk management and financial reporting. These measures aim to further reinforce transparency, accountability, and stakeholder confidence in the Company's operations and long-term sustainability.

A handwritten signature in black ink, appearing to read 'Engr. Md. Mizbahur Rahman', is written above a horizontal line.

Engr. Md. Mizbahur Rahman

Independent Director & Chairman of the Audit Committee

Nomination and Remuneration Committee (NRC) Report

The Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: June 03 2018 on Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). The policy on nomination and remuneration of Directors and top level executives of the Company has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors which is presented under at a glance.

• Constitution of the NRC:

The Nomination and Remuneration Committee (NRC) of CVO Petrochemical Refinery PLC is comprised of three members including an independent director and rest of the members are non-executive directors of the Company. All members of the Committee have been nominated and appointed by the Board. The Chairperson of the Committee is an independent director of the Company. The company secretary acts as the secretary of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee (NRC) of the Company is consisted of the following members:

Mr. Chowdhury Mohammed Haroon, Independent Director	- Chairman
Mr. Engr. Md. Mizbahur Rahman, Independent Director	- Member
Mrs. Jubeda Khanam Safi, Director	- Member
Mr. Khwaza Mowin Uddin Hossain, DMD & Company Secretary	- Member Secretary

• Responsibility to the Board of Directors:

The Terms of Reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board of Directors as per aforesaid BSEC notification. The policy on nomination and remuneration of Directors and top level executives of the Company has been formulated by the HR department. After overseeing the policy NRC assist the Board to implement the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive as a sub-committee of the Board.

• Role of the NRC:

To oversee, among others, the following matters and make report with recommendation to the Board:

- (i) Recommend a policy to the Board relating to the remuneration of the directors, top level executives;
- (ii) Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle;
- (iii) Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;
- (iv) Evaluate that remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- (v) Recommend a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

- (i) Identifying persons who are qualified to become directors and in top level executives and recommend their appointment and removal to the Board;
- (ii) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (iii) Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (iv) Developing, recommending and reviewing annually the Company's human resources and training policies;

• Meeting of the NRC:

The Committee conducted a meeting on June 22, 2025. Meeting of the Committee are attended by the non-executive directors along with an independent director who is the Chairperson of the Committee. The company secretary acts as the secretary of the NRC. Head of Human Resources and external advisers attended on invitation to put their valuable advice/suggestion. The NRC of the Company ensured the following activities at their meeting.

- a. Discussion on the current Code of Conduct for the Chairperson of the Board, other Board members and Managing Director/Chief Executive Officer of the Company;
- b. Discussion and overseen the current organization structure developed by HR department where reporting line is clearly defined for the directors and top level executives along with standard manpower planning exercise for each and every position for identifying the total requirement;
- c. Discussion and overseen the current standard pay structure developed by HR department for all level employees based on education, experience and competency; and
- d. Discussion and overseen the current criteria formulated by HR department to evaluate performance of employees, directors and top level executives which leads to yearly increment and promotion of individual.

• Nomination and Appointment of Directors and Top Level Executives:

The NRC is responsible to ensure that the procedures for nomination and appointment of Directors are transparent and rigorous. The Committee identified and ascertained a combination of age, gender, experience, ethnicity, diversity, educational background, nationality and other relevant personal attributes in the Board for nomination of Directors. The Committee also identified nomination criteria with the most suitable skills, knowledge, experiences and personal values for appointment of Directors.

As the performance of the Company depends upon the quality of its Directors and Top Level Executives the NRC is also responsible to ensure that the recruitment process for Top Level Executives are transparent, diversified, non-discriminatory and in alignment with the Code of Conduct. To prosper of the Company the NRC must attract, motivate and retain highly skilled Directors and Top Level Executives.

• Remuneration Policy for Directors and Top Level Executives:

The NRC reviewed that the Board of Directors of the Company received reasonable remuneration from the Company as per Company Policy approved by the Board.

The objective of the Company's remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable service for the prosperity of the Company.

• Evaluation of Performance:

The NRC is responsible for ensuring the effectiveness of the Board. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports and information



produced for consideration and relationship with Management. The Committee shall carry out an evaluation of performance of Directors and top-level executives yearly or at such intervals of its work, functions and performance as may be considered necessary.

• **Activities of the NRC carried out during the reporting period:**

The Committee Chairperson reported formally to the Board on the Committee's proceedings after NRC meeting. The Committee reviewed Terms of Reference of NRC policy to ensure it is operating at maximum effectiveness and recommended any necessary changes to the Board for its approval. The Chairperson of the Committee recommended to the Board for consideration it deems appropriate on any areas within its Terms of Reference where action or improvisation is needed.

Chowdhury Mohammed Haroon

Independent Director & Chairman of the NRC Committee

Chapter: 03

Corporate Governance

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Corporate Governance

Corporate Governance refers to the practice of ensuring **effective internal control, accountability, transparency, and ethical corporate behavior** within an organization. Sound governance is essential for long-term success, as it establishes how a company is directed and controlled while safeguarding the interests of all stakeholders.

A **strong governance framework** is vital to achieving **stability, sustainable growth, and investor confidence**.

At **CVO Petrochemical Refinery PLC**, our governance system is designed to:

- **Promote transparency and accountability** at every level of the organization.
- **Clearly distribute duties and responsibilities** between the Board of Directors and the Management, ensuring both checks & balances and operational flexibility.
- **Safeguard stakeholder interests** by maintaining integrity in decision-making and business conduct.

One of our key objectives is to ensure **full compliance** with all applicable legal and regulatory requirements, as well as alignment with **best governance practices**. The Company adheres to the corporate governance guidelines set out by the Bangladesh Securities and Exchange Commission (BSEC) under Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018.

3.1) Board of Directors

3.1.1) Constitution

The Board of Directors represents the top management echelon of the Company, comprising the founding entrepreneurs, their successors, and independent directors. The Board provides policy guidance, strategic direction, and oversight for the full spectrum of corporate activities.

Currently, the Board consists of 9 (nine) members, including 2 (two) Independent Directors, who bring diverse educational backgrounds and professional experience. This diversity ensures a balanced and objective decision-making process.

In accordance with governance practices, the Board is reconstituted annually at the Annual General Meeting (AGM), where one-third of the directors retire by rotation and may seek re-election.

3.1.2) Role & Responsibilities

The **Board of Directors** is the highest governing authority of the Company. Its primary role is to ensure **supervision, oversight, and strategic control** of operations through appropriate delegation and accountability mechanisms. While responsibilities are delegated across different levels of management, the Board retains the **ultimate responsibility and accountability**, acting with due diligence in the best interests of **shareholders, stakeholders, the state, and society**.

To fulfill its duties, the Board:

- **Holds periodic meetings**, at least once every quarter, to review and guide operational and financial performance.
- Considers key matters such as:
 - Operational results and performance trends

- Financial statements and budgets
- Recruitment, training, and promotions of officers
- Approval of audited accounts
- Declaration and distribution of dividends
- Employee and stakeholder welfare

The Board pays **special attention to employee welfare and motivation** by:

- Designing fair productivity and compensation plans
- Recognizing and rewarding performance based on both quality and quantity
- Ensuring safe, healthy, and environmentally friendly working conditions
- Promoting strong social and ethical values as a responsible corporate citizen

Through these measures, the Board provides **strategic guidance and responsible leadership**, ensuring sustainable growth and stakeholder trust.

3.1.3) Relationship with Shareholders & Public

The Company recognizes shareholders as its **rightful owners** and ensures they are regularly provided with **material information** on operations:

- **Quarterly reports**
- **Half-yearly updates**
- **Annual disclosures** at the **Annual General Meeting (AGM)**

To facilitate smooth services, the **Company Secretary** assists shareholders with:

- Transfer of shares
- Replacement of lost or damaged share certificates
- Timely payment of dividends
- Other shareholder-related services

In addition, the **Board of Directors** holds the responsibility of ensuring **timely disclosure of price-sensitive information** to the **public**, strictly in compliance with **BSEC regulations**.

3.1.4) Relationship with Government

The Company maintains a strong sense of **accountability to the Government** in all its operations. The **Board of Directors** ensures:

Timely payment of all dues, including **VAT, corporate taxes, and other statutory levies**, based on actual operations.

Strict adherence to **compliance and ethical practices**, with a firm stance against corruption.

Through these measures, the Company continues to make a **progressive and growing contribution to the National Exchequer**, reinforcing its role as a **responsible corporate citizen** supporting national development.

The Board closely monitors the Company's financial transactions, ensuring that all commitments to lenders are met punctually and without default. This disciplined approach has strengthened trust with financiers and enabled the Company to secure financing at more favorable interest rates.

3.1.6) Corporate Social Responsibilities (CSR)

The Board of Directors recognizes its responsibility toward society and is committed to promoting ethical and sustainable practices. Key focus areas include:

- **Equality & Human Rights:** Gender equality, race, religion, and regional fairness; protection of human rights; non-employment of child labor; support for the employment of persons with disabilities.
- **Environmental Stewardship:** Minimizing environmental pollution and promoting sustainable practices.
- **Social Development:** Engagement in social marketing, healthcare, population control programs, and the promotion of sports and culture.
- **Anti-Corruption & Governance:** Active participation in eliminating corruption and maintaining transparency.
- **Union & Labor Rights:** Upholding workers' rights to form and join unions, in line with ILO conventions.
- **Charitable Activities:** Non-partisan participation in charitable initiatives and community welfare programs.

Through these initiatives, the Company strives to create positive social impact while maintaining ethical governance.

3.2) Separate roles of the Chairman and CEO

The roles of Chairman and Chief Executive Officer (CEO) are held by different individuals to ensure a balance of authority and accountability:

- **Chairman:** Oversees the functions and governance of the Board of Directors, ensuring effective decision-making and strategic oversight.
- **Chief Executive Officer (Managing Director):** Responsible for the day-to-day management and operational leadership of the Company, executing the strategies approved by the Board.

This separation strengthens corporate governance and promotes transparency in decision-making.

3.3) Company Secretary (CS), Head of Internal Audit, & Chief Financial Officer (CFO)

In compliance with the requirements of the Bangladesh Securities and Exchange Commission (BSEC), the Company has appointed the following key officials:

- **Mr. Khwaza Mowin Uddin Hossain** – Deputy Managing Director & Company Secretary
- **Mr. Ahmadul Haq Hasan** – Executive Director & Head of Internal Audit
- **Mr. Mohammad Abu Taleb** – Chief Financial Officer (CFO)

These appointments strengthen the Company's leadership team and ensure robust corporate governance and operational oversight.

3.4) Audit Committee of the Board

The Board of Directors has established an Audit Committee comprising **four members**, headed by an **Independent Director**. The Committee performs its duties in accordance with legal requirements and reports periodically to the Board.

Key Responsibilities:

- Coordinating with **Internal and External Auditors** as needed.
- Ensuring robust **internal checks and balances**, supported by an effective **Management Information System (MIS)**, for detecting errors, fraud, and other deficiencies.
- Preventing **conflicts of interest** among Directors, officials, customers, suppliers, government authorities, and other stakeholders.
- Monitoring and addressing any potential **insider trading** in the Company's stock.
- Ensuring compliance with the regulations of the **Bangladesh Securities and Exchange Commission (BSEC)** and other relevant authorities.

Through these functions, the Audit Committee reinforces transparency, accountability, and integrity in the Company's operations.

3.5) Nomination and Remuneration Committee (NRC) of the Board

The Board of Directors has established a **Nomination and Remuneration Committee (NRC)** as a sub-committee to support effective governance. The Committee comprises **four members** and is chaired by an **Independent Director**.

Key Responsibilities:

- Assisting the Board in implementing the **nomination policy** for selecting qualified and experienced directors and top-level executives.
- Evaluating **qualifications, positive attributes, experience, independence, and remuneration** of directors and senior management, in line with HR policies.
- Ensuring compliance with the regulations of the **Bangladesh Securities and Exchange Commission (BSEC)** and other relevant authorities.

The NRC plays a vital role in promoting transparency, meritocracy, and accountability in leadership appointments and remuneration decisions.

3.6) Internal Audit and Control

The Board of Directors has established an **Internal Audit team** to strengthen internal controls and ensure regulatory compliance.

Key Features:

- The Internal Audit team **reports directly to the operational management**, with findings subsequently submitted to the Board.
- Audits are conducted **regularly** according to an annual **Internal Audit Plan**.

- The team **checks, verifies, and reviews compliance** with internal control procedures and other applicable regulatory requirements.

This system ensures effective monitoring, risk management, and adherence to governance standards within the Company.

3.7) Other Governance Apparatus

To strengthen **corporate governance practices**, the Company engages a range of top-tier professional service providers, including **legal experts, bankers, insurers, and technical specialists**. These advisors assist the **Board of Directors** and **Executive Management** in effectively fulfilling their responsibilities toward:

- **Shareholders** – ensuring transparency and protection of interests
- **Stakeholders** – maintaining accountability and trust
- **Government** – complying with regulatory requirements
- **Public** – promoting ethical and responsible corporate conduct

This collaborative framework enhances decision-making, risk management, and overall governance within the Company.

3.8) Independent Director

In compliance with **BSEC regulations on corporate governance**, the Board has appointed the following individuals as **Independent Directors**:

- **Engr. Md. Mizbahur Rahman**
- **Chowdhury Mohammed Haroon**

Their independent oversight strengthens the Board's objectivity, ensures accountability, and promotes transparency in decision-making.

3.9) Legal Advisers

To ensure the highest standards of **corporate governance**, the Company has engaged **Syed Ishtiaq Ahmed & Associates**, Law Consultants & Practitioners, located at **Concord Ovalash (1st Floor), House No. 62, Road No. 11A, Dhanmondi, Dhaka**, to provide expert legal services and guidance.

3.10) Bankers

The efficiency of the Company's operations is closely linked to the quality of banking services it receives. Effective banking support helps reduce operational costs while minimizing financial service charges and lending interest.

To achieve this, the Company has established long-term relationships with leading banks, including:

- **Sonali Bank PLC**
- **Exim Bank PLC**
- **Dutch Bangla Bank PLC**
- **Prime Bank PLC**
- **NCC Bank PLC**
- **Eastern Bank PLC**

These professionals contribute to the Company's financial stability, operational efficiency, and overall growth

3.11) Insurer:

Insurance Service Cover Certain Operational Risks that are required by Law/ Business Practices to be covered by Legitimate Insurance Service providers for the protection of the Interest of the Company and the Investors.

3.12) Statutory Auditor

Auditors play a very trustworthy role in ensuring the integrity of the Company's financial statements and safeguarding the interests of investors. The Company strictly adheres to the Companies Act Rules of the Bangladesh Securities and Exchange Commission (BSEC), Listing Regulation, Code of International Financial Reporting Standards (IFRS), and International Accounting Standards (IAS) along with all legally required disclosures of Accounts and Financial Statements..

This high standard of financial reporting is made possible by the expertise and integrity of K.M. Hasan & Co., Chartered Accountants, whose diligent work continues to reinforce investor confidence and trust.

3.13) Certification on the Compliance of Corporate Governance Code of BSEC

A certificate confirming the Company's compliance with the **Corporate Governance Code** of the **Bangladesh Securities and Exchange Commission (BSEC)** has been issued by **M/S. Rahman Mostafa Alam & Co., Chartered Accountants**. The certificate is enclosed as **Annexure-B**.

3.14) Compliances

CVO Petrochemical Refinery PLC maintains a structured framework to ensure full compliance with all applicable **statutory, regulatory, and legal requirements**. This framework includes:

- **Responsibility Assignment:** Specific officers and department heads are designated to oversee compliance within their respective areas.
- **Monitoring & Reporting:** Regular checks and internal reporting mechanisms are in place to track adherence to laws and regulations.
- **Regulatory Updates:** The Company actively monitors changes in laws, rules, and regulations issued by government authorities and regulatory bodies to ensure timely compliance.
- **Training & Awareness:** Employees are periodically trained on compliance policies, ethical practices, and regulatory obligations to minimize risks of non-compliance.
- **Audit & Review:** Internal audits and periodic reviews are conducted to identify gaps in compliance and implement corrective measures.

This proactive approach ensures that the Company operates with **integrity, accountability, and transparency**, thereby protecting shareholder interests, maintaining public trust, and avoiding any legal or regulatory penalties.



Chapter: 04

Financial Report 2024-25

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CVO PETROCHEMICAL REFINERY PLC

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **CVO PETROCHEMICAL REFINERY PLC** (the company), which comprise the statement of financial position as at 30 June 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2025, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations.

Basis for Qualified Opinion

1. There is no business relation with Sylhet Gas Fields Limited for more than 5(five) years. But the security deposit with them amounting to Taka 4,500,000 remained outstanding till date. In our opinion, the recovery of this amount has become doubtful but no provision has been provided for in these financial statements.

2. Advance against raw materials to Sylhet Gas Fields Limited amounting to Taka 1,753,444 remained outstanding for more than 5(five) years. The agreement in this respect with Sylhet Gas Fields Limited expired in 30 June 2020. Hence, the recovery of the amount has become doubtful but no provision has been provided for in these financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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) together with the ethical requirements 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 is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2025. These matters 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.

Risk	Our Response to risk
Revenue recognition	
We normally identify Revenue as an item of key audit matters, as it is used as one of the key performance indicators for the company. At year-end, the company reported a net turnover of Taka 1,153,189,991/- as against Taka 612,976,904/- of the previous year.	<p>"We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Obtaining supporting documents for gross sales from clients', Individual trade volume, sales invoice and purchase order signed by the respective clients during execution of the trade of the current period.





	<ul style="list-style-type: none"> • Testing requests of changes to systems for appropriate approval and authorization. • Assessing the appropriateness and presentation of disclosures against relevant accounting standards. • We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.
See note no: 27 to the financial statements	
Risk	Our Response to risk
Carrying Value (CV) of Property, Plant and Equipment, Intangible Assets and result of impairment test	
<p>Property, plant and equipment and intangible assets was recognized at carrying value (CV) aggregating to BDT 985,891,184 and 105,426 representing over 79.14% of total assets of the company as at 30 June 2025.</p> <p>Since PPE and Intangible Assets comprising significant portion of the Company's total assets, it also involved management judgment in determining estimated useful lives to charge depreciation and amortization. Beside PPE and Intangible Assets also subject to impairment test when any possible indicators exist warranting their impairment review.</p> <p>The carrying value of office equipment and furniture may be different from recoverable value which also subject to impairment test.</p> <p>The carrying value of PPE also included land and land development revalued during the year at Taka 575,400,000 against the book value of Tk 14,647,500 by an independent professional valuer enlisted with BSEC.</p>	<p>Our audit procedures regarding use of carrying value and evaluating result of impairment test comprise the following:</p> <ul style="list-style-type: none"> • Obtaining and documenting whole process and control applied by the company in procuring capital expenditure comprising PPE and intangible assets; • Reviewing recognition measurement and valuation with IAS 16: Property, plant and equipment and IAS 38: Intangible Assets. • Inspecting supporting documents for the acquisition of PPE and intangible assets made during the year to verify their ownership and accuracy; • Physically inspected the existence sample of PPE during the year. • Reviewing and assessing method, assumptions and results of impairment test performed by the management of the company and conclusion reached to use carrying value rather than their recoverable amount to identify if there is any requirement to recognize impairment. • Assessing the appropriateness of presentation and disclosures with relevant IFRSs. • We have examined the valuation report together with relating documents during the course of our audit. • The valuation report has been prepared in accordance with international Accounting Standards and other applicable rules, regulations and guidelines. • The company's land (95.90 decimal) has been revalued at Tk. 575,400,000 as fair value against book value of Tk. 14,647,500 as at 30 June 2025. • The revaluation surplus amounting to Tk. 560,752,500 has been duly accounted for in the financial statements as at 30 June 2025, as per decision of Board of Directors in its meeting held on 23 August 2025. • In our opinion, the valuation approach and accounting treatment applied is appropriate.
See note no: 6, 8 to the financial statements	



Risk	Our Response to risk
Short-term loan	
<p>As of the reporting date, the position of loan remain outstanding to Taka 153,110,755. In other words, approximately 37.83% of total liability of the company are represented by short term Loan.</p> <p>Evidently, the Company is using bank loan as working capital to operate the business, to acquire non-current assets and also to payment of third party.</p> <p>Therefore, it has been considered as key audit area.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the loans. Our audit procedures included, among others, the followings:</p> <ul style="list-style-type: none"> • Understanding and reviewing the nature and types of loans; • Reviewing the board minutes for arrangements of the loans; • Obtaining the repayment schedules, loan statements and facility offer letters to review terms, debt covenants, interest rates and other conditions associated with the loan; • Reviewing the mortgages, major covenants, guarantees and interest rates etc. attached to the bank loan; • Recalculating the interest related to loan; • Checking the adjustments or repayments of loan through bank statements as per repayment schedule; • Checking whether there is any overdue payments and penal interest; and • Finally, assessing the appropriateness and presentation of disclosures against relevant accounting standards. • Our procedures above did not identify any issues with regard to the bank loan.
See note no: 21 to the financial statements.	
Risk	Our Response to risk
Valuation of closing Inventories	
<p>The Company has recognized BDT 112,464,442 as closing inventories in its financial statements as at 30 June 2025, compared to BDT 200,837,826 in the previous year. The significant movement in inventories is mainly attributable to the commencement of raw material supply of "Naphtha" by its sole supplier, Bangladesh Petroleum Corporation (BPC), and the initiation of production by the company on 29 January 2022</p> <p>Inventories are carried at the higher of cost and net realizable value whichever is lower.</p>	<p>Our audit responses comprise the following procedures:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company; • Reconciling the inventories with opening inventories, purchase, production and sales during the period and with closing inventories; • Obtaining stock counting report and reconciling the count results to the inventory listings to test the completeness of data; and • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
See note no: 11 to the financial statements	

Risk	Our Response to risk
Legal and Regulatory Matters	
<p>We focused on this area because, as a listed entity, the Company operates within a legal and regulatory framework that exposes it to significant risks of litigation, disputes, and regulatory proceedings.</p> <p>Such matters are subject to considerable uncertainties, and their outcomes are often difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the company's provisions and disclosures.</p>
See note no 3.9.2 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises the Directors' Report, which we could not obtain prior to the date of this auditor's report and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with ISAs.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of **CVO PETROCHEMICAL REFINERY PLC** is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules, 2020, relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulation 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.

Auditor's 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 auditor's 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 International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- 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 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 our audit.

We also provide 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters as reported in the respective section of the report above. We describe these matters in our auditor's 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.





কে. এম. হাসান এন্ড কোং
K.M. HASAN & CO.
Chartered Accountants

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Report on Other Legal and Regulatory Requirements

- a) 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;
- b) 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 those books;
- c) 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; and
- d) the expenditure incurred was for the purposes of the Company's business.

For K. M. HASAN & CO.
Chartered Accountants

Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2509290331AS833069


Place: Dhaka
Date: 27 September 2025



CVO PETROCHEMICAL REFINERY PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	2025 Taka	2024 Taka
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	6	985,891,184	450,248,384
Right-of-Use Assets	7	3,023,719	9,742,848
Intangible Assets	8	105,426	131,782
Investment in Shares (Fair Value)	9	1,338,120	1,404,000
Investment in Fixed Deposits	10	4,140,604	3,926,458
		994,499,053	465,453,472
Current Assets			
Inventories	11	112,464,442	200,837,826
Accounts Receivables	12	45,101,516	54,012,350
Advance, Deposit and Prepayments	13	78,094,856	99,834,926
Cash and Cash Equivalents	14	15,709,529	699,691
		251,370,343	355,384,793
TOTAL ASSETS		1,245,869,396	820,838,265
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital	15	277,695,000	277,695,000
Share Premium		12,255,000	12,255,000
Revaluation Surplus	16	476,639,625	-
Fair Value Reserve	17	(1,213,376)	(1,147,496)
Dividend Equalization Reserve		10,599,483	-
Retained Earnings	18	65,117,890	(2,507,954)
		841,093,622	286,294,550
Non-Current Liabilities			
Deferred Tax Liabilities	19	130,723,741	48,425,143
Lease Liabilities -non current portion	20	-	2,639,125
		130,723,741	51,064,268
Current Liabilities			
Short Term Loan	21	153,110,755	281,869,727
Loan from Directors	22	-	28,866,611
Lease Liabilities -current portion	20	2,639,124	3,577,632
Provision for Income Tax	23	16,361,990	7,944,325
Accounts Payable	24	89,932,509	143,740,071
Unclaimed Dividend	25	724,601	8,697,163
Other Payables	26	11,283,054	8,783,918
		274,052,033	483,479,447
TOTAL EQUITY AND LIABILITIES		1,245,869,396	820,838,265
Net Assets Value (NAV) per Share without Revaluation	34	13.12	10.31
Net Assets Value (NAV) per Share with Revaluation	35	30.29	10.31

These financial statements should be read in conjunction with the annexed notes.



Mohammad Abu Taleb
Chief Financial Officer



Khwaza Mowin Uddin Hossain
DMD & Company Secretary



AHM Habib Ullah
Managing Director



Shamsul Alam Shamim
Chairman

For K. M. HASAN & CO.
Chartered Accountants



Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2509290331AS833069


Date: 27 September 2025



CVO PETROCHEMICAL REFINERY PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 Taka	2024 Taka
Net Turnover	27	1,153,189,991	612,976,904
Cost of Goods Sold	28	(973,277,817)	(496,914,193)
Gross Profit		179,912,174	116,062,711
Operating Expenses:			
General and Administrative Expenses	29	(37,115,167)	(19,334,567)
Selling Expenses		(143,000)	-
		(37,258,167)	(19,334,567)
Operating Profit		142,654,007	96,728,144
Finance Cost	30	(21,417,246)	(24,116,673)
Non-operating Income	31	630,530	5,130,615
Net Profit before WPPF		121,867,291	77,742,086
Contribution to WPPF		(5,803,204)	(3,702,004)
Net Profit before Tax		116,064,087	74,040,082
Provision for Tax:			
Current year tax	23	(11,658,006)	(4,703,984)
Prior year tax	23.6	(225,531)	(1,503,536)
Deferred tax	19.2	1,814,277	(2,835,390)
		(10,069,260)	(9,042,910)
Net Profit after Tax		105,994,827	64,997,172
Other Comprehensive Income:			
Revaluation Surplus of Land	3.1.4	560,752,500	-
Deferred Tax on Revaluation Surplus	19.3	(84,112,875)	-
Unrealized Gain/(Loss) on Investment in Shares	32	(65,880)	(707,400)
Total Comprehensive Income for the year		582,568,572	64,289,772
Earnings per Share (EPS)	33	3.82	2.34

These financial statements should be read in conjunction with the annexed notes.


Mohammad Abu Taleb
Chief Financial Officer


Khwaza Mowin Uddin Hossain
DMD & Company Secretary


AHM Habib Ullah
Managing Director


Shamsul Alam Shamim
Chairman

For K. M. HASAN & CO.
Chartered Accountants


Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2509290331A5833069

Date: 27 September 2025



CVO PETROCHEMICAL REFINERY PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Surplus	Fair Value Reserve	Dividend Equalization Reserve	Retained Earnings	Total Equity
Balance as at 01 July 2024	277,695,000	12,255,000	-	(1,147,496)	-	(2,507,954)	286,294,550
Revaluation Surplus of Land	-	-	560,752,500	-	-	-	560,752,500
Deferred Tax Expenses	-	-	(84,112,875)	-	-	-	(84,112,875)
Unrealized gain/(loss) on Shares	-	-	-	(65,880)	-	-	(65,880)
Cash Dividend for FY 2023-24	-	-	-	-	-	(27,769,500)	(27,769,500)
Net Profit for the year	-	-	-	-	-	105,994,827	105,994,827
Transfer to Dividend Equalization Reserve	-	-	-	-	10,599,483	(10,599,483)	-
Balance as at 30 June 2025	277,695,000	12,255,000	476,639,625	(1,213,376)	10,599,483	65,117,890	841,093,622

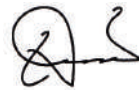
FOR THE YEAR ENDED 30 JUNE 2024

Amount in Taka

Particulars	Share Capital	Share Premium	Revaluation Surplus	Fair Value Reserve	Dividend Equalization Reserve	Retained Earnings	Total Equity
Balance as at 01 July 2023	277,695,000	12,255,000	-	(440,096)	-	(59,911,548)	229,598,356
Unrealized gain/(loss) on Shares	-	-	-	(707,400)	-	-	(707,400)
Cash Dividend for FY 2022-23	-	-	-	-	-	(7,593,578)	(7,593,578)
Net Profit for the year	-	-	-	-	-	64,997,172	64,997,172
Balance as at 30 June 2024	277,695,000	12,255,000	-	(1,147,496)	-	(2,507,954)	286,294,550



Mohammad Abu Taleb
Chief Financial Officer



Khwaza Mowin Uddin Hossain
DMD & Company Secretary



AHM Habib Ullah
Managing Director



Shamsul Alam Shamim
Chairman

Signed in terms of our separate report of even date annexed

For K. M. HASAN & CO.
Chartered Accountants



Md. Amirul Islam FCA, FCS
Senior Partner, Enrol. No. 331
DVC: 2509290331A5833069

Date: 27 September 2025



CVO PETROCHEMICAL REFINERY PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 Taka	2024 Taka
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers		1,162,100,825	729,188,339
Cash Received from other Income		603,530	5,076,615
Payment to Suppliers and Employees		(891,084,317)	(611,567,261)
Payment for Operating Expenses		(32,112,580)	(15,349,905)
Interest Paid		(21,417,246)	(24,116,673)
Income Tax Paid		(5,779,399)	(6,212,069)
Net cash generated from/(used in) Operating Activities	39	212,310,813	77,019,047
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment		(168,551)	(19,037,096)
Other Investment		(214,146)	(2,269,108)
Dividend Received		27,000	54,000
Net cash provided from/(used in) Investing Activities		(355,697)	(21,252,204)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Short Term Loan		(128,758,972)	(2,932,823)
Loan from Directors		(28,866,611)	(42,100,000)
Payment of Lease Liabilities		(3,577,633)	(3,270,813)
Dividend Paid		(35,742,062)	(7,298,513)
Net cash provided from/(used in) Financing Activities		(196,945,278)	(55,602,149)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		15,009,838	164,694
Cash and Cash Equivalents at the beginning		699,691	534,997
Cash and Cash Equivalents at the end		15,709,529	699,691
Net Operating Cash Flow (NOCF) per Share	36	7.65	2.77

These financial statements should be read in conjunction with the annexed notes.



Mohammad Abu Taleb
Chief Financial Officer



Khwaza Mowin Uddin Hossain
DMD & Company Secretary



AHM Habib Ullah
Managing Director



Shamsul Alam Shamim
Chairman





CVO PETROCHEMICAL REFINERY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

1.0 REPORTING ENTITY

1.1 Company Profile

"Chittagong Vegetable Oil Industries Limited (CVO) was incorporated on 9 December 1984 with the Registrar of Joint Stock Companies & Firms in Bangladesh under the Companies Act 1913 (as amended 1994) 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 February 1988. The company is listed with Dhaka Stock Exchange PLC (DSE) and Chittagong Stock Exchange PLC (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. CVO Petrochemical Refinery Limited has been changed to CVO Petrochemical Refinery PLC vide issue no. 13342 dated 02.04.2024 of the Registrar of Joint Stock Companies & Firms, Chattogram office, Chattogram.

2 Registered Office and Principal Place of Business

The registered office and principal place of business of the company is situated at "37 Katalgonj, Panchlaish, Chattogram, Bangladesh."

1.3 Principal Activities and Nature of Business

1.3.1 Raw material (Naphtha)

i) The company is engaged in the production and sale of Hydrocarbon Solvent (SBPS) from raw material Naphtha in the existing plant. The production capacity of the product is 100 (One Hundred) MT per day.

ii) Raw material (Naphtha) is procured by the company from Eastern Refinery Limited under Bangladesh Petroleum Corporation (BPC). Finished goods of SBPS grade 40-115 are sold to Padma Oil Company Limited under Bangladesh Petroleum Corporation (BPC) as per contract and SBPS industrial grade are sold to various chemical plant.

1.3.2 Raw material (Diesel Riched Condensate)

i) The company also engaged in the production and sale of High Speed Diesel (HSD) from Diesel Riched Condensate. The installed production capacity is 150 MT (1179 Barrel) per day.

ii) Raw material (Diesel Riched Condensate) is procured by the company from Bangladesh Petroleum Corporation (BPC).

2.0 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements have been prepared in accordance International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Financial Reporting Council (FRC), the Companies Act 1994, the Securities and Exchange Rules, 2020, the Financial Reporting Act, 2015 and other applicable laws and regulations.

2.2 Other Regulatory Compliances

The company has also complied with the Listing regulations of Dhaka Stock Exchange PLC & Chittagong Stock Exchange PLC, The Income Tax Act 2023, The Value Added Tax and Supplementary Duty Act 2012, The Value Added Tax and Supplementary Duty Rules 2016 and Bangladesh Labor Act 2006 as amended upto 2023.



2.3 Basis of Measurement

"The financial statements have been prepared under the historical cost convention following accrual basis except for land and land development which are stated at revalued amount (fair market value), investment in marketable securities (measured at fair value) and inventories (measured at lower of cost or net realizable value)."

2.4 Components of Financial Statements

The financial statements are prepared and presented for internal and external users of 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 are comprised of:

- (i) Statement of Financial Position as at 30 June 2025;
- (ii) Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2025;
- (iii) Statement of Changes in Equity for the year ended 30 June 2025;
- (iv) Statement of Cash Flows for the year ended 30 June 2025;
- (v) Notes to the financial statements for the year ended 30 June 2025 and
- (vi) Comparative information in respect of the preceding period as specified in paragraph 38 and 38A.

2.5 Functional and Presentation Currency

The financial statements are presented in Bangladeshi Taka which is both functional and presentation currency of the Company.

2.6 Reporting Period

The financial statements of the company covered one year from 1st July 2024 to 30th June 2025.

2.7 Use of Estimates and Judgment

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The estimates and underlying assumptions are based on past experience and various other factor that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, Actual result 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.

2.8 Going Concern

The company has adequate resources to continue its operation for foreseeable future. For this reason the financial statements have been prepared on going concern basis. As per management assessment there is no material uncertainty related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.9 Application of Standards

The following International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) are applicable for preparation and reporting of the financial statements of the company for the year under review:

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Statement 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 & Equipment
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 13	Fair Value Measurement
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

3.0 Significant Accounting Policies

The Accounting Policies set out below have been applied consistently to all periods presented in the financial statements.

3.1 Property, Plant and Equipment

3.1.1 Recognition and Measurement

An item of Property, Plant & Equipment that qualifies for recognition as an asset is initially recognized at its cost of acquisition and subsequently stated at cost less accumulated depreciation and impairment losses, if any, in accordance with IAS 16: "Property, Plant and Equipment". The cost of an item of property, plant & equipment comprises its purchase price, import duties, VAT and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

Maintenance and renewals that enhance the economic useful life of the property, plant & equipment that improve the capacity and quality or reduce substantially the operating cost or administration expenses are capitalized by adding it to the related property, plant & equipment.

3.1.2 Cost Model

The Company applies cost model to property, plant & equipment and shall be carried at its cost less accumulated depreciation and any accumulated impairment losses except for land and land development.

3.1.3 Revaluation Model

The Company applies revaluation model to its freehold land and it is carried out when there is a substantial difference between the fair value and the carrying amount of the property. The Company reviews its land (Non-Current Assets) when deemed appropriate considering reasonable interval of years/time.

The valuation of the said assets was done using the basis of market approach. Valuation of land was estimated considering the recent prices for similar plots of Land sold in the area, similar

condition, size and locality etc. The valuation of land has used the premise of Value-in used.

3.1.4 Revaluation of Land Property

As per IAS 16: Property, Plant and Equipment paragraph 34, “the frequency of revaluations depends upon the changes in fair values if the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three or five years”.

To comply the above paragraph the Company made its valuation of land at first time of its history situated at 154 Nasirabad Industrial Area, Baizid Bostami Road, Chattogram, Bangladesh (Land Area -95.90 decimals, Mouza –Jalalabad, Daag Number -1189, J.L.01, Plot No. 154, BS -26/1, RS –Part 2502, 2509, 2015, 2519, Full -2517).

The Board of Directors of the company appointed a professionally qualified Independent Valuer enlisted with Bangladesh Securities and Exchange Commission, M/S. Ashraf Uddin & Co., Chartered Accountants (member firms affiliated with ANTEA-Alliance of independent firm, Spain) for revaluation of land as on 30 June 2025. The valuation of the land was done using the basis of market approach.

For the purpose of identification and revaluation of land and land development the valuer has considered the following Standards and Guidelines:

- I. Guidelines issued by Bangladesh Securities and Exchange Commission (ref. no. SEC/CMMRRCD/2009-193/150/Admin dated August 18, 2013);
- II. Accounting Standards (where is applicable) i.e., IFRS-13 fair Value, IAS-16 Property, Plant & Equipment, IAS-36 Impairment of Assets) issued by the International Accounting Standards Board (IASB) which are adopted by the Financial Reporting Council (FRC) of Bangladesh;
- III. International Valuation Standards (IVS) issued by International Valuation Standards Committee which are adopted by the Financial Reporting Council (FRC) of Bangladesh.

Other non-Current Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the Statement of Financial Position of the Company.

3.1.5 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 economic benefits 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 the statement of profit or loss and other comprehensive income as incurred.

3.1.6 Depreciation of Property, Plant and Equipment

Depreciation is provided for on reducing balance method at the annual rate(s) shown below whereby the cost less estimated salvage value of an asset is written off over its anticipated service life. No depreciation is charged for land & land development. 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 the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) and the date that the asset is derecognized.

Depreciation charged has been allocated 95% in factory overhead and 5% in general & administrative expenses.

Depreciation is provided for at the following rates:

Assets	Depreciation Rate
Building & Other Construction	5%
Plant Machineries & Storage Tank	5%
Gas Line & Electrical Installation	5%
Local Machinery & Equipment	10%
Furniture & Fixtures	10%
Laboratory Equipment	10%
Deep Tube well	10%
Office Renovation and Interior	10%
Motor Vehicles	20%
Computer, Telephone and Mobile Accessories	20%
Air Conditioner	20%
Office and Electric Equipment	20%

3.1.7 Retirement and Disposals

On retirement or otherwise disposal of Property, Plant and Equipment, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income which is determined with reference to the net book values of the assets and the net sales proceeds.

3.1.8 Capital Work-in-progress

Property, Plant and Equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

3.1.9 Impairment of Assets

"An impairment test is carried out by the management at the end of each reporting period to ascertain whether there is any indication that an asset is impaired. If any such indication exists, the impairment loss for an individual asset is measured and recognized in the financial statements in accordance with IAS 36 "Impairment of Assets". The impairment test revealed that no assets have been impaired during the year and as such no provision was made for impairment of assets."

3.2 Intangible Assets

3.2.1 Recognition and Measurement

"Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 Intangible Assets met. The cost of intangible assets comprises its purchase price, non-refundable VAT and taxes and any directly attributable cost of preparing the asset for its intended use."

3.2.2 Amortization

"Amortization is recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful life (5 years) of each item of intangible assets from the date they are available for use. Amortization charged has been allocated based on use of the Intangible Assets."



3.3 Investment in Shares

"The investment in share is initially recognized and measured at transaction costs that are directly attributable to the acquisition of the said financial assets. The management considered these investments in share as available for sale financial asset to present its subsequent changes in fair value through other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9 "Financial Instruments". When the investment is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from fair value reserve to Statement of Profit or Loss and other Comprehensive Income and Statement of Changes in Equity as a reclassification adjustment in accordance with para 5.7.10 of IFRS 9 "Financial Instruments".

3.4 Valuation of Inventories

Inventories are valued in compliance with the requirements of IAS-2 "Inventories"

Category	Basis of valuation
Raw Materials	Weighted Average Cost
Finished Goods	Cost or Net Realizable Value whichever is lower
Chemicals	Weighted Average Cost

3.5 Accounts Receivables

Accounts Receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end.

3.6 Advance, Deposit & Prepayments

"Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads."

Deposits are measured at payment value.

"Pre-payments are initially measured at cost. After initial recognition, pre-payments are carried at cost less charges to Statement of Profit or Loss and other Comprehensive Income."

3.7 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at bank, unused balance in brokerage house and stamp in hand which are available for use by the company without any restriction. There is an insignificant risk of changes in value of these current assets.

3.8 Revenue Recognition

(i) Turnover

Revenue receipts from customers against sales is recognized when products are dispatched to the customers, that is when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods, Turnover shown in the statement of profit or loss and other comprehensive income after deducting Value Added Tax (VAT).

(i) Dividend Income

Dividend income is recognized when the dividend is received.

(iii) Capital gain/(loss) on Investment in Shares

Capital gain/(loss) on investment in shares is recognized on realization basis.



(iv) Interest Income

Interest income on bank deposits and short term investment is recognized on receipts or due basis.

3.9 Creditors and Accruals

3.9.1 Accounts and Other Payable

Accounts and other payable are stated at cost.

3.9.2 Provision

The preparation of financial statements is in conformity with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" which requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities during and at the date of financial statements.

In accordance with the guidelines as prescribed by IAS 37 provisions were recognized in the following situation:

- When the company has a present obligation as a result of past events;
- When it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

Necessary provisions have been shown in the Statement of Financial Position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represented the best estimate of the probable expenditure required to fulfill the current obligation on the financial position date.

Other provisions are valued at in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". Other provisions comprise all realizable risks from uncertain liabilities and anticipated losses from pending transactions.

3.10 Related Party Transactions

"The objective of Related Party Disclosure IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss and other comprehensive income may have been affected by the existence of related parties and by transactions and outstanding balances with such parties."

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

"The company transacts with related parties and recognizes as per IAS 24 "Related Party Disclosures". Related party transactions have been disclosed in this financial statement under Note – 37.

3.11 Taxation

3.11.1 Income Tax

Income tax expenses comprised current year tax, prior year tax and deferred tax. Income tax provision has been made on operational income and other income which is recognized in the Statement of Profit or Loss and other Comprehensive Income taking into consideration of allowable and non-allowable expenses as per provision of the Income Tax Act 2023

3.11.2 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in 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 prevailing at the Statement of Financial Position date and recognized in the Statement of Profit or Loss and Other Comprehensive Income as per IAS 12 "Income taxes". Deferred tax liabilities, income/(expenses) has shown in the Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income respectively. During the year the Company also made provision deferred tax liabilities and deferred tax expenses against Land Revaluation Surplus and shown in the other comprehensive income.

3.12 Finance Cost

"Finance cost comprises interest on Cash Credit General -Hypothecation (CC Hypo) Loan and interest on lease liabilities. All borrowing cost is recognized in the statement of profit or loss and other comprehensive income on accrual basis."

3.13 Employee Benefits

(a) Provident Fund

The company has introduced a provident fund facilities for the employees who are eligible to be members of the fund in accordance with the Rules of the Provident Fund constituted under a Board of Trustee. All eligible employees contribute 8% of their basic salary to the provident fund and the company also makes equal contribution. The fund is duly recognized by National Board of Revenue. The company has made provisions regarding provident funds during the year. Subsequently, the provision has been settled.

(b) Workers' Profit Participation & Welfare Funds (WPPWF)

The company provides 5% of its profit after charging of such expenses as WPPWF in accordance with the Bangladesh Labor Act, 2006 as amend in 2013 and payment is made as per law. The WPPWF is managed by a duly constituted Board of Trustee.

3.14 Statement of Cash Flows

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 as prescribed by the Securities and Exchange Rules, 2020. In addition to disclosures on direct method of cash flows, a reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operation items and for the net changes in operating accruals is also presented following para 5 (2) (e) of BSEC notification dated 20 June 2018.

3.15 Leases

International Financial Reporting Standards, IFRS 16 "Leases" effective from annual period beginning on or after January 1, 2019 has changed how the company accounts for its leases contracts. The company leases Dhaka liaison office and delivery & receiving shed at factory site in addition to storage tank outside the factory site at pran hari das road, south kattali, pahartali, chattogram-4219 which are classified as operating leases.

Lease contract of Dhaka Liaison office is a short term lease which has expired and renewed. The rental agreement is not considered as financial lease. The company recognized the lease payments associated with this leases as an expenses on straight line basis over the lease term applying paragraph 6 of IFRS 16. The company further recognized the underlying asset in respect of lease contract of delivery & receiving shed at factory site and storage tank as right-of-use asset and corresponding liabilities as lease liability following the requirements of the standard.

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 and the computation of EPS is stated in related note.

3.16.1 Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.16.2 Number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

3.16.3 Basic earnings per share

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

3.16.4 Diluted earnings per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.17 Comparative Information

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figure have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial statements.

4.0 Financial Risk Management

The Management of the company 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 analyses the risks faced by the company, to set appropriate risk limits and control, and to monitor risk and adherence to limits. The company has exposure to the following risks from its use of financial instruments:

- (i) Credit Risk
- (ii) Liquidity Risk
- (iii) Market Risk
- (iv) Interest Rate Risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk.

4.1 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.

The company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

There is an agreement with Bangladesh Petroleum Corporation (BPC) to sell them Company's products (SBPS 40-115 grade & Diesel) on credit and also there is no risk factor involved with

BPC as it is a state-own organization and another agreement with M/S. T. S. Traders to sell them Company's products (SBPS industrial grade) on credit/advance basis, the risk remains under control of the management.

4.2 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 managing liquidity (cash and cash equivalents) to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall 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's has sufficient cash and cash equivalents to meet expected operational expenses for periods which the company thinks appropriate, This excludes the potential impact of extreme circumstances that cannot reasonable be predicted such as natural disasters. The liquidity risk remains under control of the management.

4.3 Market Risk

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

4.4 Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

5.0 General

- 5.1 Figures appearing in these financial statements have been rounded off to the nearest taka, except as stated.
- 5.2 Bracket figure denotes negative.

6. PROPERTY, PLANT AND EQUIPMENT

A: Cost

	2025 Taka	2024 Taka
Opening Balance	755,244,601	683,787,006
Add: Cost addition during the year	168,551	71,457,595
Add: Revaluation Surplus during the year (Note 3.1.4)	560,752,500	-
	<u>1,316,165,652</u>	<u>755,244,601</u>
Less: Disposal during the year	-	-
Closing Balance	<u>1,316,165,652</u>	<u>755,244,601</u>

B: Accumulated Depreciation

Opening Balance	304,996,217	279,853,679
Add: Charged during the year	25,278,251	25,142,538
	<u>330,274,468</u>	<u>304,996,217</u>
Less: Adjustment during the year	-	-
Closing Balance	<u>330,274,468</u>	<u>304,996,217</u>

Written Down Value (A-B)

<u>985,891,184</u>	<u>450,248,384</u>
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The details of Property, Plant and Equipment are shown in Annexure -A

7. RIGHT-OF-USE ASSETS

Lease

Opening Balance	9,742,848	16,521,536
Add: Addition during the year	-	6,368,281
	<u>9,742,848</u>	<u>22,889,817</u>
Less: Adjustment during the year	1,382,126	7,809,967
	<u>8,360,722</u>	<u>15,079,850</u>
Less: Depreciation charged during the year	5,337,003	5,337,002
Closing Balance	<u>3,023,719</u>	<u>9,742,848</u>

8. INTANGIBLE ASSETS

A: Cost

Opening Balance	410,000	410,000
Add: Addition during the year	-	-
Closing Balance	<u>410,000</u>	<u>410,000</u>

B: Accumulated Amortization

Opening Balance	278,218	245,272
Less: Charged during the year @ 20%	26,356	32,946
Closing Balance	<u>304,574</u>	<u>278,218</u>

Carrying Amount (A-B)

<u>105,426</u>	<u>131,782</u>
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8.1 Allocation of Amortization

Factory Overhead (Note - 28.3)	25,944	32,430
General and Administrative Expenses (Note - 29)	412	516
	<u>26,356</u>	<u>32,946</u>

9. INVESTMENT IN SHARES (Fair Value)

	2025 Taka	2024 Taka
Cost Value	2,551,496	2,551,496
Add: Investment made during the year	-	-
	<u>2,551,496</u>	<u>2,551,496</u>
Less: Sales during the year	-	-
	<u>2,551,496</u>	<u>2,551,496</u>
Add/(Loss): Realized gain/(loss)	-	-
Investment in shares at cost price	<u>2,551,496</u>	<u>2,551,496</u>
Add/(Loss): Unrealized gain/(loss) -Note 9.1	<u>(1,213,376)</u>	<u>(1,147,496)</u>
	<u>1,338,120</u>	<u>1,404,000</u>

9.1 Details of Investment in shares are shown below:

Name of Company	No. of Shares held	Face Value per Share	Average Cost	Value at Cost as at 30.06.25	Market Price per Share as at 30.06.25	Value at Market Price as at 30.06.25	Unrealized gain/(Loss) as at 30.06.25
BDCOM	56,700	10	45.00	2,551,496	23.60	1,338,120	(1,213,376)
Total	56,700	-	-	2,551,496	-	1,338,120	(1,213,376)

During the year BDCOM Online Limited has declared and issued 5% Cash & 5% Stock dividend. In this regards, the company has got 2,700 shares as stock dividend during the year.

10. INVESTMENT IN FIXED DEPOSITS

Sonali Bank PLC, Panchlaish Br. A/C No. 1015705000442	1,634,313	1,532,205
Sonali Bank PLC, Panchlaish Br. A/C No. 1015705000746	224,568	214,311
Sonali Bank PLC, Panchlaish Br. A/C No. 1015705000831	2,281,723	2,179,942
	<u>4,140,604</u>	<u>3,926,458</u>

The FDRs has been made to give Bank Guarantee in favour of Karnaphuli Gas Distribution Company Limited as Bank Guarantee against the Gas Line Connection.

11. INVENTORIES

	Qty. (Ltr.)		
Raw Materials	1,526,039	82,314,800	145,337,167
Finished Goods	507,217	29,962,442	54,959,859
Chemicals	1,872	187,200	540,800
		<u>112,464,442</u>	<u>200,837,826</u>

The inventories at the year end was taken and valued by the management.

12. ACCOUNTS RECEIVABLES

	2025 Taka	2024 Taka
Trade Receivables (Note-12.1)	40,033,565	45,490,590
Other Receivables (Note-12.2)	5,067,951	8,521,760
	45,101,516	54,012,350

12.1 Trade Receivables

Bangladesh Petroleum Corporation (BPC)	-	45,490,590
Receivable from M/S. T. S. Traders	40,033,565	-
	40,033,565	45,490,590

The Company fully realized receivable from M/S. T. S. Traders subsequently.

12.2 Other Receivables

Capital Market Stabilization Fund*	-	8,402,098
Synthetic Resin Products (Pvt.) Limited**	4,941,830	-
Others	126,121	119,662
	5,067,951	8,521,760

*The unclaimed dividend was transferred to the Capital Market Stabilization Fund and shown as other receivables in the financial statements. During the year total transferred amount of unclaimed dividend amount of Tk. 8,402,098 has adjusted with unclaimed dividend as stated in note no. 23.

** Receivable from Synthetic Resin Products (Pvt.) Limited represents a claim of Tk. 4,941,830 for inventory loss due to pipeline leakage during unloading of raw material (Naphtha), as per the terms of the contract.

13. ADVANCE, DEPOSIT AND PREPAYMENTS

Advances (Note - 13.1)	66,786,014	88,526,084
Security Deposits (Note -13.2)	11,308,842	11,308,842
	78,094,856	99,834,926

13.1 Advances

Advance against raw materials (Note - 13.1.1)	1,753,444	1,753,444
Advance Income Tax (Note - 13.1.2)	47,222,372	48,374,717
VAT Current Account	14,520,198	30,000,352
Advance to M/S. Mitali Engineering Corporation	-	8,041,000
Advance to M/S. Apogee Consultancy	3,240,000	-
Advance against Factory works	-	300,000
Other Advances	50,000	56,571
	66,786,014	88,526,084

13.1.1 Advance against Raw Material

Kailashtilla MSTE Plant - Chevron	711,512	711,512
Kailashtilla MSTE Plant - SGFL	510,980	510,980
Rashidpur Gas Field - Chevron	15,980	15,980
Rashidpur Gas Field - SGFL	100,170	100,170
Kailashtilla Gas Field	414,802	414,802
	1,753,444	1,753,444

13.1.2 Advance Income Tax

Opening Balance	48,374,717	48,296,915
Add: Addition during the year		
TDS from bill by Bangladesh Petroleum Corporation	2,166,045	6,118,516
TDS against bank interest	112,082	46,252
TDS against cash dividend	5,400	10,800
Tax paid against vehicle	30,000	30,000
Tax paid against income from others	-	6,500
	2,313,527	6,212,068
	50,688,244	54,508,983
Less: Adjustment during the year (Note -23)	3,465,872	6,134,266
Closing Balance	47,222,372	48,374,717

13.2 Security Deposit

Sylhet Gas Fields Ltd. (SGFL)	4,500,000	4,500,000
Factory Rent - Mahmood Iron Safe Products	4,500,000	4,500,000
Karnaphuli Gas Distribution Company Limited (KGDCL)	1,902,610	1,902,610
Bangladesh Power Development Board (BPDB)	216,232	216,232
Office Rent - Dhaka office	150,000	150,000
Bangladesh Telecommunication Company Ltd. (BTCL)	40,000	40,000
	11,308,842	11,308,842

14. CASH AND CASH EQUIVALENTS

Cash in hand	14,532	15,533
Cash at Bank (Note - 14.1)	15,685,416	683,758
Balance with NCCB Securities Ltd. (Brokerage House)	6,121	-
Stamp in hand	3,460	400
	15,709,529	699,691

14.1 Cash at Bank

Name of Banks	Branch	A/C Type		
Sonali Bank PLC	Panchlaish	SND	14,666,538	72,489
NCC Bank PLC	Agrabad	CD	682,202	273,380
Dutch-Bangla Bank PLC	Muradpur	STD	182,729	104,083
Eastern Bank PLC	Jamal Khan	STD	129,838	108,458
Exim Bank PLC	Jubilee Road	MSND	18,847	118,359
Sonali Bank PLC	Panchlaish	CD	741	973
Prime Bank PLC	Muradpur	SND	4,521	6,016
			15,685,416	683,758

All bank balances were duly reconciled with the bank statement of respective bank accounts

	2025 Taka	2024 Taka
15. SHARE CAPITAL		
15.1 Authorized Capital		
150,000,000 Ordinary shares of Tk 10 each	<u>1,500,000,000</u>	<u>1,500,000,000</u>
15.2 Issued, subscribed and paid-up Capital		
27,769,500 Ordinary shares of Tk 10 each	<u>277,695,000</u>	<u>277,695,000</u>

Details of Issued, subscribed and paid-up Capital are as follows:

2,500,000 Ordinary Shares of Tk. 10 each at the beginning	25,000,000	25,000,000
7,500,000 Right Shares of Tk. 10 each issued in 1996-97	75,000,000	75,000,000
2,000,000 Bonus Shares of Tk. 10 each issued in 2009-10	20,000,000	20,000,000
3,000,000 Bonus Shares of Tk. 10 each issued in 2010-11	30,000,000	30,000,000
3,000,000 Bonus Shares of Tk. 10 each issued in 2011-12	30,000,000	30,000,000
1,800,000 Bonus Shares of Tk. 10 each issued in 2012-13	18,000,000	18,000,000
4,950,000 Bonus Shares of Tk. 10 each issued in 2014-15	49,500,000	49,500,000
4,95,000 Bonus Shares of Tk. 10 each issued in 2016-17	4,950,000	4,950,000
25,24,500 Bonus Shares of Tk. 10 each issued in 2020-21	25,245,000	25,245,000
Total 27,769,500 shares of Tk. 10 each	277,695,000	277,695,000

15.3 Composition of share holding

Particulars	30 June 2025		30 June 2024	
	Number of Shares	% of Share Holdings	Number of Shares	% of Share Holdings
Sponsors'/Directors' Holdings (Note -15.3.1)	12,582,344	45.31	12,582,344	45.31
Other Shareholders' Holdings (Note -15.3.2)	15,187,156	54.69	15,187,156	54.69
Total	27,769,500	100.00	27,769,500	100.00

15.3.1 Sponsors'/Directors' Holdings

Name	30 June 2025		30 June 2024	
	No. of Shares	(%)	No. of Shares	(%)
Mr. Shamsul Alam Shamim	2,585,184	9.31	2,585,184	9.31
Mr. A.H.M. Habib Ullah	1,943,866	7.00	1,943,866	7.00
Mr. Md. Amin	1,319,049	4.75	1,319,049	4.75
Mr. Md. Emranul Hoq	1,319,049	4.75	1,319,049	4.75
Mr. Mohammad Mohsin Saky	1,319,050	4.75	1,319,050	4.75
Mr. Md. Ali Mortuza	1,319,049	4.75	1,319,049	4.75
Mr. N.H. Noman	1,319,051	4.75	1,319,051	4.75
Mrs. Jubeda khanam safi	590,101	2.12	590,101	2.12
Mrs. Joynab Rifat	590,101	2.12	590,101	2.12
Mrs. Fazilatun Nahar	277,695	1.00	277,695	1.00
Mr. Md. Mansur Alam	149	0.00	149	0.00
Total (A)	12,582,344	45.31	12,582,344	45.31

15.3.2 Other Shareholders' Holdings

Name	30 June 2025		30 June 2024	
	No. of Shares	(%)	No. of Shares	(%)
General Public	10,417,661	37.51	10,304,617	37.11
Institutions	4,724,745	17.01	4,762,281	17.15
Foreign (NRB)	44,750	0.16	120,258	0.43
Total (B)	15,187,156	54.69	15,187,156	54.69
Total Share Holdings (A+B)	27,769,500	100.00	27,769,500	100.00

15.4 Classification of Shareholders by Holding

The distribution schedule showing the number and percentage of shareholders and also their shareholdings as well as percentage of share holdings has been disclosed below:

Range of Holdings	No. of Holders	(%) of total holders	Number of Shares	(%) of Share Capital
Less than 500 shares	5,804	64.45	801,031	2.88
500 to 5,000 shares	2,752	30.56	4,097,416	14.76
5,001 to 10,000 shares	250	2.78	1,820,065	6.55
10,001 to 20,000 shares	112	1.24	1,576,900	5.68
20,001 to 30,000 shares	28	0.31	701,334	2.53
30,001 to 40,000 shares	20	0.22	700,509	2.52
40,001 to 50,000 shares	7	0.08	314,716	1.13
50,001 to 1,00,000 shares	13	0.14	777,562	2.80
1,00,001 to 10,00,000 shares	11	0.12	2,940,862	10.59
10,00,001 to above	9	0.10	14,039,105	50.56
Total	9,006	100.00	27,769,500	100.00

15.5 Market Price

The shares of the company are listed with Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC. The share was quoted market price at Tk. 133.10 in the Dhaka Stock Exchange PLC and Tk. 133.00 in the Chittagong Stock Exchange PLC as on 30 June 2025.

16. REVALUATION SURPLUS

						Amount in Taka
Particulars of Assets	Name of the Valuer	Qualification of Valuer	Date of Valuation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land and Land Development	M/S. Ashraf Uddin & Co.	Chartered Accountants	30-Jun-25	14,647,500	575,400,000	560,752,500
Add/(Less): Deferred Tax Expenses						(84,112,875)
						<u>476,639,625</u>

The surplus in the carrying amount revaluation of land and land development is recognized in the separate component of Statement of Changes in Equity as Revaluation Surplus.

17. FAIR VALUE RESERVE

Opening Balance	(1,147,496)	(440,096)
Unrealized Gain/(Loss) on Investment in Shares	(65,880)	(707,400)
Closing Balance	<u>(1,213,376)</u>	<u>(1,147,496)</u>

18. RETAINED EARNINGS

Opening Balance	(2,507,954)	(59,911,548)
Less: Cash Dividend	(27,769,500)	(7,593,578)
Add: Net Profit for the year	105,994,827	64,997,172
Less: Transfer to Dividend Equalization Reserve	(10,599,483)	-
Closing Balance	<u>65,117,890</u>	<u>(2,507,954)</u>

19. DEFERRED TAX LIABILITIES

Deferred Tax Liability -Excluding Revaluation Surplus, Note-19.1	46,610,866	48,425,143
Deferred Tax Liability - Revaluation Surplus, Note - 19.3	84,112,875	-
	<u>130,723,741</u>	<u>48,425,143</u>

19.1 Deferred Tax Liability - Excluding Revaluation Surplus

WDV of Property, Plant and Equipment (Excluding Revaluation Surplus) -Carrying Value	410,491,184	450,248,384
WDV of Property, Plant and Equipment (Excluding Revaluation Surplus) -Tax Base	176,911,417	211,075,007
Temporary Difference	233,579,767	239,173,377
Income Tax Rate	20%	20%
	<u>46,715,953</u>	<u>47,834,675</u>
Deferred tax on Lease (Difference between Right -of-Use Assets and Lease Liability)	76,919	705,218
Deferred tax on unrealized gain/(loss) on Investment in Shares (Note - 9.1) (-1,213,376 @ 15%)	(182,006)	(114,750)
Deferred Tax Liability - Excluding Revaluation Surplus	<u>46,610,866</u>	<u>48,425,143</u>

	2025	2024
	Taka	Taka
19.2 Deferred Tax Expenses /(Income) to be Recognized in Profit & Loss		
Account:		
Deferred Tax Liability at the beginning	46,610,866	48,425,143
Deferred Tax Liability at the end	48,425,143	45,589,753
Deferred tax expenses/(income) charged for the year	(1,814,277)	2,835,390
19.3 Deferred Tax Liability - Revaluation Surplus		
WDV of Land & Land Development -Carrying Value	575,400,000	-
WDV of Land & Land Development -Tax Base	14,647,500	-
Temporary Difference/Capital Gain	560,752,500	-
Income Tax Rate on Capital Gain	15%	-
Deferred Tax on Revaluation Surplus	84,112,875	-
20. LEASE LIABILITIES		
Opening Balance	6,216,757	10,929,257
Add: Addition during the year	-	6,368,281
	6,216,757	17,297,538
Less: Adjustment during the year	-	7,809,968
	6,216,757	9,487,570
Less: Interest on Lease Liabilities	-	-
	6,216,757	9,487,570
Less: Paid during the year	3,577,633	3,270,813
Closing Balance	2,639,124	6,216,757
Segregation of Lease Liabilities are as follows:		
Non-Current Portion	-	2,639,125
Current Portion	2,639,124	3,577,632
	2,639,124	6,216,757
Maturity Analysis of Lease Liabilities are as follows:		
Time Band		
Less than one month	-	-
One month to three month	945,666	864,564
Three month to twelve month	1,693,458	2,713,068
One year to three year	-	2,639,125
Three year to five year	-	-
	2,639,124	6,216,757

21. SHORT TERM LOAN

	2025	2024
	Taka	Taka
Opening Balance	281,869,727	284,802,550
Add: Received during the year	928,215,291	1,166,622,225
	<u>1,210,085,018</u>	<u>1,451,424,775</u>
Less: Repaid during the year	1,056,974,263	1,169,555,048
Closing Balance	<u>153,110,755</u>	<u>281,869,727</u>

The above short term loan was obtained from Sonali Bank PLC, Panchlaish Branch, Chattogram.

Terms and conditions, security of short term loan and details of these facilities are as follows:

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

Maximum 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: 13.25% per annum (Sanction Rate was 9%), calculation on quarterly basis.

Sanction & renewal: Loan sanction made on 9th January 2020 and subsequently renew upto 08 March 2026

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

Repayment: The loan is repayable after receiving bill/cheque at regular intervals from customers.

22. LOAN FROM DIRECTORS

Opening Balance	28,866,611	70,966,611
Add: Received during the year	-	-
	<u>28,866,611</u>	<u>70,966,611</u>
Less: Repaid during the year	28,866,611	42,100,000
Closing Balance	<u>-</u>	<u>28,866,611</u>

Due to paucity of fund to meet day to day office expenses and requirement of working capital for running the operation, temporary loan was taken from Mr. Shamsul Alam Shamim, Sponsor Director & Chairman of the company as per decision of the Board of Directors in its 104th meeting held on 15 November 2021. The loan was fully repaid during the year.

23. PROVISION FOR INCOME TAX

	2025 Taka	2024 Taka
Opening Balance	7,944,325	7,871,071
Add: Provision made during the year		
Current year tax (Note - 23.4)	11,658,006	4,703,984
Prior year tax (Note - 23.6)	225,531	1,503,536
	<u>11,883,537</u>	<u>6,207,520</u>
	19,827,862	14,078,591
Less: Adjustment made during the year		
For FY 2019-2020	-	5,430,477
For FY 2020-2021	-	703,789
For FY 2021-2022	292,680	-
For FY 2022-2023	3,173,192	-
	<u>3,465,872</u>	<u>6,134,266</u>
Closing Balance	<u>16,361,990</u>	<u>7,944,325</u>

23.1 Income tax liability as per accounts

Net Profit before Tax	116,064,087	74,040,082
Less: Non-operating Income	630,530	5,130,615
	<u>115,433,557</u>	<u>68,909,467</u>
Add: Accounting depreciation	25,278,251	25,142,538
	<u>140,711,808</u>	<u>94,052,005</u>
Less: Tax based depreciation	19,684,639	41,739,380
	<u>121,027,169</u>	<u>52,312,625</u>
Less: Adjustable depreciation loss for the FY 2017-18	-	(19,536,423)
Less: Adjustable depreciation loss for the FY 2018-19	-	(17,946,617)
Less: Adjustable depreciation loss for the FY 2020-21	(33,227,617)	-
Less: Adjustable operating loss for the FY 2021-22*	(30,140,052)	-
	<u>57,659,500</u>	<u>14,829,585</u>
Applicable Tax Rate	20%	20%
	<u>11,531,900</u>	<u>2,965,917</u>

*Unadjusted operating loss and depreciation loss for the FY 2021-22 stood of Tk. 7,500,505 and Tk. 28,348,982 respectively on 30.06.2025 for future adjustment.

23.2 Calculation of Minimum Tax

Net Turnover for the year	1,153,189,991	612,976,904
Minimum Tax Rate	1.00%	0.60%
Minimum Tax	<u>11,531,900</u>	<u>3,677,861</u>

23.3 Income Tax on Non-operating Income

Bank Interest	603,530	X 20%	120,706	70,323
Dividend Income	27,000	X 20%	5,400	10,800
Others			-	945,000
			<u>126,106</u>	<u>1,026,123</u>

23.4 Income tax liability to be provided for

Minimum Tax (Note -23.2)	11,531,900	3,677,861
Tax on Non-operating Income (Note -23.3)	126,106	1,026,123
Tax provision for the year	<u>11,658,006</u>	<u>4,703,984</u>

23.5 Tax Assessment Status

Accounting Year	Provision for Income tax	Tax demanded by Income Tax Authority	Tax deduction at source	Payment of Tax	Remarks
2017-18	-	-	-	6,242,867	Assessment finalized & refund created at Tk. 6,262,867/-
2018-19	-	-	-	13,322,490	Assessment finalized & refund created at Tk. 13,322,490/-
2019-20	-	-	-	15,703,828	Assessment finalized & refund created at Tk. 16,964,157/-
2020-21	-	-	-	3,057,869	Assessment finalized & refund created at Tk. 3,277,902/-
2021-22	-	-	-	-	Assessment finalized
2022-23	-	-	-	369,723	Assessment completed U/S 180 and refund claimed at Tk. 369,723
2023-24	4,703,984	-	6,212,068	6,212,068	Assessment completed U/S 180
2024-25	11,658,006	-	2,313,527	2,313,527	Return to be filed
Total	16,361,990	-	8,525,595	47,222,372	

23.6 Prior Year Income Tax Provision

Accounting Year	Provision for Income tax	Tax demanded by Income Tax Authority	Adjustment	Excess Tax Liability	Remarks
2021-22	129,051	348,377	6,205	225,531	Adjusted
2022-23	3,173,192	3,173,192	-	-	Adjusted
Total	3,302,243	3,521,569	6,205	225,531	

24. ACCOUNTS PAYABLE

	2025 Taka	2024 Taka
Bangladesh Petroleum Corporation (BPC)*	83,244,509	142,229,636
M/S. Mitali Auto Enterprise	6,600,000	-
M/S. Falcon Trading	-	1,330,435
M/S. Office Rent -Dhaka Office	75,000	75,000
M/S. Innovative Online Limited	7,500	7,500
M/S. Synthetic Resin Product (Pvt.) Limited	-	92,000
M/S. A.B. Surveyors	2,500	2,500
M/S. Telnet Communication Limited	3,000	3,000
	89,932,509	143,740,071

*The amount was fully paid to Bangladesh Petroleum Corporation (BPC) subsequently.

25. UNCLAIMED DIVIDEND

Opening Balance	8,697,163	8,402,098
Add: Dividend declared during the year	27,769,500	7,593,578
	36,466,663	15,995,676
Less: Paid during the year	27,339,964	7,298,513
	9,126,699	8,697,163
Less: Paid to Capital Market Stabilization Fund (Note 25.1)	8,402,098	-
Closing Balance (Note - 25.3)	724,601	8,697,163

The company has transferred Unclaimed Dividend period from beginning, FY 1990-91 to FY 2020-21 to "Capital Market Stabilization Fund (CMSF)" according to directive no. BSEC/CMRRCD/2021-386/03-dated 14 January 2021 of Bangladesh Securities and Exchange Commission.

25.1 Paid to Capital Market Stabilization Fund

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	52,980
1994-1995	10%	Final	35,800
1995-1996	15%	Final	226,650
1999-2000	8%	Interim	421,760
1999-2000	3%	Final	228,194
2002-2003	5%	Final	85,905
2004-2005	6%	Final	93,297
2013-2014	5%	Final	502,587
2014-2015	15%	Final	2,684,717
2015-2016	25%	Final	3,542,821
2016-2017	2% (Stock)	Fraction of Stock	181,079
2017-2018	2%	Final	98,590
2018-2019	2%	Final	109,777
2020-2021	10% (Stock)	Fraction of Stock	75,090
Total Unclaimed Dividend Paid to Capital Market Stabilization Fund			8,402,098

25.2 Details of Payment to Capital Market Stabilization Fund

SL.	Bank	Cheque No.	Cheque Date	Period	Taka
1	SBL	3167432	29.08.2021	1990-2017	8,118,641
2	NCCBL	3779756	31.03.2022	2017-2018	98,590
3	NCCBL	3779759	10.09.2023	2018-2019	109,777
4	NCCBL	3779766	20.03.2024	2020-2021	75,090
Total					8,402,098

25.3 Balance of Unclaimed Dividend

Financial Year	Declaration(%)	Types of Dividend	2025 Taka	2024 Taka
1990-91 to 2020-21	-	-	-	8,402,098
2022-2023	5%	Final	269,807	295,065
2023-2024	10%	Final	454,794	-
Total			724,601	8,697,163

26. OTHER PAYABLES

Liabilities for Expenses (Note - 26.1)
Security deposit from M/S. T.S. Traders

	2025	2024
	Taka	Taka
	10,283,054	7,783,918
	1,000,000	1,000,000
	11,283,054	8,783,918

26.1 Liabilities for Expenses

Remuneration, Salary and Allowances
Utility Bills
Provident Fund Contribution
Contribution to WPPF (Note 26.1.1)
Audit fees
Legal and Professional fees
Board Meeting Allowance

	2,936,394	2,547,754
	536,594	1,125,184
	158,362	153,976
	5,803,204	3,702,004
	333,500	255,000
	260,000	-
	255,000	-
	10,283,054	7,783,918

26.1.1 Contribution to WPPF

Opening Balance
Add: Contribution during the year

Less: Payment during the year
Closing Balance

	3,702,004	873,127
	5,803,204	3,702,004
	9,505,208	4,575,131
	3,702,004	873,127
	5,803,204	3,702,004

27. NET TURNOVER

Turnover
Less: Value Added Tax (VAT)

	1,326,168,490	704,923,440
	172,978,499	91,946,536
	1,153,189,991	612,976,904

Details of Product wise Turnover are shown below

SBPS 40-115 Grade	62,190,000	266,583,690
SBPS Industrial Grade	1,247,111,500	438,339,750
Diesel	16,866,990	-
	1,326,168,490	704,923,440

The turnover of the company has been increased during the year due to increase of selling price as well as sales volume.

28. COST OF GOODS SOLD

	Qty. (Ltr)		
Raw Materials Consumed (Note -28.1)	15,903,639	844,126,403	443,279,780
Chemicals Consumed (Note -28.2)	3,536	353,600	741,440
		844,480,003	444,021,220
Factory Overhead (Note -28.3)		103,800,397	59,648,056
Cost of Production		948,280,400	503,669,276
Finished Goods at the Opening	749,506	54,959,859	48,204,776
Finished Goods at the Closing	507,217	(29,962,442)	(54,959,859)
		973,277,817	496,914,193

28.1 RAW MATERIALS CONSUMED

	<u>Qty. (Ltr)</u>		
Opening Inventory	2,403,563	145,337,167	82,252,352
Add: Purchased during the year	15,106,275	786,045,866	506,364,595
	<u>17,509,838</u>	<u>931,383,033</u>	<u>588,616,947</u>
Less: Loss on Inventory*	80,160	4,941,830	-
	<u>17,429,678</u>	<u>926,441,203</u>	<u>588,616,947</u>
Less: Closing Inventory	1,526,039	82,314,800	145,337,167
Raw Materials Consumed	<u>15,903,639</u>	<u>844,126,403</u>	<u>443,279,780</u>

* Inventory loss of raw material (Naphtha) due to pipeline leakage during unloading has been claimed from Synthetic Resin Products (Pvt.) Limited, and the corresponding cost and quantity has been adjusted in the inventory and shown in the other receivables

28.2 CHEMICALS CONSUMED

	<u>Qty. (Ltr)</u>		
Opening Inventory	5,408	540,800	540,800
Add: Purchased during the year	-	-	741,440
	<u>5,408</u>	<u>540,800</u>	<u>1,282,240</u>
Less: Closing Inventory	1,872	187,200	540,800
Chemicals Consumed	<u>3,536</u>	<u>353,600</u>	<u>741,440</u>

28.3 FACTORY OVERHEAD

Salary and Allowances	14,952,326	12,443,065
Carriage Inward - Lorry	24,471,200	94,560
Gas bill	4,163,506	4,583,884
Electricity	3,094,522	3,407,596
Factory Maintenance	2,059,628	1,121,610
Insurance Premium	1,536,500	1,526,536
Licence, Reg. and Others	1,370,381	374,971
WASA bill	155,437	195,389
Fuel for Burner & Generator	141,000	785,050
Fooding Expenses	847,301	1,103,091
Fuel for Vehicle	724,324	948,303
Vehicle Maintenance	503,668	362,372
Wages/Labour Expenses	108,975	192,750
Expenses for Sample Test	196,250	805,270
Entertainment	402,403	482,955
Travelling and Conveyance	235,856	273,938
Generator Maintenance	500	376,600
Fire and Safety Maintenance	305,365	129,270
Medical and Welfare Expenses	70,007	37,820
Telephone and Internet	90,410	94,839
Office Supply	71,959	73,199
Uniform	19,110	61,545
Printing & Stationery	406,591	137,440
Laboratory Expenses	44,050	112,680
Loading & Unloading Expenses	784,500	479,280
Painting Expenses	1,050,440	189,200
Carriage Inward - Oil Tanker	16,616,903	-
Depreciation (Annexure - A)	29,351,341	29,222,413
Amortization (Note- 8.1)	25,944	32,430
	<u>103,800,397</u>	<u>59,648,056</u>

28.3.1 Carrying cost was borne by the selling agent in the previous year as per agreement which was expired on 30.06.2024.

	2025 Taka	2024 Taka
29. GENERAL AND ADMINISTRATIVE EXPENSES		
Salary and Allowances	12,478,648	10,001,129
Directors' Remuneration*	13,200,000	600,000
Printing & Stationery	650,959	530,694
AGM Expenses	500,290	92,250
Regulatory Expenses	479,336	589,336
Board Meeting fees	305,000	40,000
Travelling and Conveyance	186,057	162,682
Fuel for Vehicle	271,586	437,151
Vehicle Maintenance	112,755	35,600
Donation Expenses	96,350	64,391
Entertainment	575,137	613,854
Expenses for Publication of PSI	358,600	374,400
Fooding Expenses	215,259	214,921
Bank Charges and Commission	328,418	402,796
Office Maintenance	213,038	280,719
Electricity, Gas and Water	820,553	604,057
Telephone and Internet	81,715	80,819
Repair and Maintenance	185,733	176,380
Legal & Professional Fees	595,166	23,500
Audit Fees**	333,500	255,000
Generator Maintenance	205,044	159,898
Medical and Welfare Expenses	328,839	-
Postage, Courier and Stamp	42,750	29,094
License, Renewal and Registration	96,500	76,800
IT Support Services	83,150	77,750
Rent, Rates and Taxes	3,106,459	2,153,703
Depreciation (Annexure - A)	1,263,913	1,257,127
Amortization (Note- 8.1)	412	516
	37,115,167	19,334,567

* Details of Directors' Remuneration have been shown in Note No. 37.1.3. This has increased due to payment of remuneration to the Chairman and five Directors during the year who did not received the same during the previous year.

** Audit fees represent the fees for statutory audit and the audit of compliance on the Corporate Governance Code including VAT.

	2025	2024
	Taka	Taka
30. FINANCE COST		
Interest on Bank Borrowing	21,002,925	23,395,530
Interest on Lease Liabilities	414,321	721,143
	21,417,246	24,116,673
31. NON-OPERATING INCOME		
Bank Interest	603,530	351,615
Dividend Income	27,000	54,000
Others	-	4,725,000
	630,530	5,130,615
32. GAIN/(LOSS) ON INVESTMENT IN SHARES (UNREALISED)		
Unrealized gain/(loss) on Investment in Shares at the beginning	(1,147,496)	(440,096)
Unrealized gain/(loss) on Investment in Shares at the end	(1,213,376)	(1,147,496)
	(65,880)	(707,400)
33. EARNINGS PER SHARE (EPS)		
Surplus for the year attributable to Shareholders	105,994,827	64,997,172
Number of Ordinary Shares outstanding during the year	27,769,500	27,769,500
Earnings per Share of Tk. 10 each	3.82	2.34
Earnings per Share (EPS) has been increased due to increase of turnover, selling price as well as sales volume.		
34. NET ASSETS VALUE PER SHARE WITHOUT REVALUATION		
Net Assets Value without Revaluation	364,453,997	286,294,550
Number of Ordinary Shares outstanding during the year	27,769,500	27,769,500
Net Assets Value per Share without Revaluation of Tk. 10 each	13.12	10.31
35. NET ASSETS VALUE PER SHARE WITH REVALUATION		
Net Assets Value with Revaluation	841,093,622	286,294,550
Number of Ordinary Shares outstanding during the year	27,769,500	27,769,500
Net Assets Value per Share with Revaluation of Tk. 10 each	30.29	10.31
36. NET OPERATING CASH FLOWS PER SHARE (NOCFPS)		
Net Operating Cash flows at the year end	212,310,813	77,019,047
Number of Ordinary Shares outstanding during the year	27,769,500	27,769,500
Net Operating Cash Flows per Share of Tk.10 each	7.65	2.77

Net Operating Cash Flows Per Share (NOCFPS) has been increased during the year due to increase of collection from customers than payment to Suppliers, employees and operating expenses.

37. RELATED PARTY TRANSACTIONS

37.1 Transaction with key management personnel

37.1.1 Loan to Directors

The company did not allow any loan to the directors during the year. Note that, the company has never made any loan to the directors' from the beginning.

37.1.2 Selling and purchasing of Goods

Bangladesh Petroleum Corporation (BPC) is our only Supplier of raw materials as per purchase agreement. During the year BPC supplied us Naphtha (raw material) from Eastern Refinery Limited and finished goods of SBPS grade 40-115 are sold to Padma Oil Company Limited under Bangladesh Petroleum Corporation (BPC) as per contract and SBPS industrial grade are sold to various chemical plant.

37.1.3 Key management personnel compensation comprised as follows:

Key management personnel compensation includes benefits paid to Directors for the services rendered. The company discontinued the payment of directors remuneration due to financial hardship since February 2021 which was resumed from the month of June 2024 as per Board resolution dated 23 May 2024. No post employment benefits and other long term benefit was given to the Directors. Details of Directors' Remuneration (Short term benefits) are as follows:

Name	Designation	Remuneration	Bonus	Total
Mr. Shamsul Alam Shamim	Chairman	6,000,000	500,000	6,500,000
Mr. A.H.M. Habib Ullah	MD	1,200,000	100,000	1,300,000
Mr. Md. Amin	Director	200,000	-	200,000
Mr. Md. Emranul Hoq	Director	1,200,000	100,000	1,300,000
Mr. Mohammad Mohsin Saky	Director	1,200,000	100,000	1,300,000
Mr. Md. Ali Mortuza	Director	1,200,000	100,000	1,300,000
Mr. N.H. Noman	Director	1,200,000	100,000	1,300,000
Total		12,200,000	1,000,000	13,200,000

37.2 Related party's transaction IAS - 24:

Related Party Name	Opening Balance	Received/ Addition during the year/Dr.	Payment/ Adjustment during the year/Cr.	Closing Balance	Nature of Transaction
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	225,000	900,000	(900,000)	225,000	Office Rent/Security deposit of Dhaka Office
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	-	15,106,275	(15,106,275)	-	Carriage Inward -Oil Tanker
Mr. Shamsul Alam Shamim, Chairman of the Board of Directors	28,866,611	-	(28,866,611)	-	Short Term Loan

38. CAPACITY UTILIZATION

	2025 MT	2024 MT
Production Capacity, Naphtha/Condensate	30,000	30,000
Actual Capacity Utilized	10,214	6,815
Capacity Utilization	34.05%	22.72%

The company has utilized its production capacity based on demand for finished goods, Hydrocarbon Solvent (SBPS) and availability of raw material (Naphtha). Capacity Utilization has increased during the year due to increased allotment and demand for the finished goods compared to the same period in the previous year.

39. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES - UNDER INDIRECT METHOD

	2025 Taka	2024 Taka
Net Profit after tax	105,994,827	64,997,172
Adjustments to reconcile net profit/(loss) to net cash Generated from/(Used in) Operating Activities:		
Non-cash items:		
Depreciation	30,615,254	30,479,540
Amortization	26,356	32,946
Adjustment of Right of Use Assets	1,382,126	-
Deferred Tax	(1,814,277)	2,835,390
	30,209,459	33,347,876
Non-operating items:		
Dividend Income	(27,000)	(54,000)
Net Profit before changes in working capital	136,177,286	98,291,048
Changes in working capital:		
(Increase)/Decrease of Current Assets		
Inventories	88,373,384	(69,839,898)
Accounts Receivables	8,910,834	116,211,435
Advances, Deposits & Prepayments	21,740,070	(14,591,929)
	119,024,288	31,779,608
Increase/(Decrease) of Current Liabilities		
Provision for Income Tax	8,417,665	73,254
Accounts Payable	(53,807,562)	(55,851,882)
Other Payables	2,499,136	2,727,019
	(42,890,761)	(53,051,609)
Net Increase/(Decrease) in working capital	76,133,527	(21,272,001)
Net cash generated from/(used in) Operating Activities	212,310,813	77,019,047

40. ADDITIONAL DISCLOSURE AS PER SECURITIES AND EXCHANGE COMMISSION RULES, 2020 (RULE-12)

- | | |
|--|-----|
| a) Claim against the company not acknowledge as debt as on 30.06.2025 | NIL |
| b) The aggregate amount to contracts for capital expenditure remaining to executed and not provided for | NIL |
| c) Other sums for which the company is continently liable as on 30.06.2025. The aggregate amount of any guarantees given by the company on behalf of the directors (including Managing Director), Managing agents, managers of there officers of the company or any of them severally or jointly with any other person shall be stated separately, and where practicable, the general nature and amount of each such contingent liability. | NIL |
| d) General nature of any credit facilities available to the company under any contract and not taken up as on 30.06.2025 | NIL |
| e) The advances against goods, services and expenses have been considered good by the management and no collateral security is held against the advances. | |

41. PARTICULARS OF REQUIREMENTS AS PER SCHEDULE XI PART II OF THE COMPANIES ACT, 1994

	2025	2024
a) Para-3(i)(b) Commission paid to selling agents.	NIL	NIL
b) Para-3(i)(c) Brokerage and discount on sales other then usual trade discount	NIL	NIL
c) There are 87 employees working in the company as on 30 June 2025. Consisting of 25 persons in the Head Office, 2 persons in the Dhaka Share Office and 60 persons working in the Factory. Para-3, Note -5 Number of employees whose salary below Tk 3,000 per month Number of employees whose salary above Tk 3,000 per month	- 87 <u>87</u>	- 87 <u>87</u>
d) Para-8(b) Expenses incurred in foreign currency on account of royalty, Technical expert & professional advisory fee, interest etc.	NIL	NIL
e) Para-8(d) i) Number of Non-Resident shareholders ii) Number of shares held by the Non-Resident shareholders including foreign investors	4 <u>44,750</u>	139 <u>120,258</u>
f) Para-8(e) i) Export of goods calculated on FOB basis ii) Royalty, know-how, professional and consultation fees iii) Interest and dividend iv) Other income, indicating the nature thereof	NIL NIL NIL NIL	NIL NIL NIL NIL

42. CONTINGENT LIABILITIES AND COMMITMENTS

There was no contingent liabilities and commitments as on 30 June 2025.

43. FOREIGN CURRENCY

There was no foreign currency transaction during the year.

44. EVENTS AFTER THE REPORTING PERIOD

- 44.1 The Board of Directors in its meeting held on 27 September 2025 approved the financial statements for the year ended June 30, 2025. The Board of Directors also authorized the same for issue.
- 44.2 The Board of Directors recommended 11% Cash Dividend and 9% Stock Dividend to the Shareholders for the financial year 2024-25 subject to approval in the ensuing Annual General Meeting and The Bangladesh Securities and Exchange Commission for Stock Dividend only.
- 44.3 Except above, no other significant event occurred till the date of signing the financial statements.



Mohammad Abu Taleb
Chief Financial Officer



Khwaza Mowin Uddin Hossain
DMD & Company Secretary



AHM Habib Ullah
Managing Director



Shamsul Alam Shamim
Chairman

Date: 27 September 2025

Annexure -A

CVO PETROCHEMICAL REFINERY PLC
PROPERTY, PLANT AND EQUIPMENT
AS AT 30 JUNE 2025

Particulars	At Cost			Rate (%)	Depreciation			Written Down Value (WDV) As at 30 June 2025	
	As at 01 July 2024	Addition during the year	Disposal during the year		As at 01 July 2024	Charged during the year	Adj./Disposed off during the year		As at 30 June 2025
	14,647,500	-	-		14,647,500	-	-		-
Land & Land Development	14,647,500	-	-	14,647,500	-	-	-	14,647,500	
Factory Building & Construction	64,518,741	-	-	64,518,741	5	1,925,197	27,939,989	36,578,752	
Hydrogenation Plant Building	6,230,000	-	-	6,230,000	5	159,906	3,191,785	3,038,215	
Plant Machineries & Equipment	309,609,313	-	-	309,609,313	5	10,519,242	109,743,723	199,865,590	
Storage Tank	176,663,556	-	-	176,663,556	5	5,081,775	80,109,832	96,553,724	
Local Machinery & Equipment	108,871,315	32,400	-	108,903,715	10	4,994,202	63,953,421	44,950,294	
Furniture & Fixtures	2,686,289	51,889	-	2,738,178	10	100,562	1,816,338	921,840	
Motor Vehicle	1,942,000	-	-	1,942,000	20	37,143	1,793,429	148,571	
Office Equipment	907,319	-	-	907,319	20	17,728	836,405	70,914	
Computer & Accessories	1,507,590	26,698	-	1,534,288	20	61,613	1,279,423	254,865	
Air Conditioner	1,426,415	-	-	1,426,415	20	34,867	1,286,948	139,467	
Electrical Installation	11,294,400	-	-	11,294,400	5	339,441	4,845,016	6,449,384	
Electric Equipment	2,250,950	-	-	2,250,950	10	96,332	1,383,967	866,983	
Laboratory Equipment	37,336,165	-	-	37,336,165	10	1,282,638	25,792,425	11,543,740	
Telephone & Mobile	1,122,398	-	-	1,122,398	20	39,696	963,616	158,782	
Deep Tube well	1,481,725	-	-	1,481,725	10	77,831	781,248	700,477	
Office Renovation & Interior	4,078,680	57,564	-	4,136,244	10	145,878	2,806,464	1,329,780	
Gas Line Installation	8,670,245	-	-	8,670,245	5	364,200	1,750,439	6,919,806	
Sub Total (A) (30 June 2025)	755,244,601	168,551	-	755,413,152		25,278,251	330,274,468	425,138,684	
Sub Total (30 June 2024)	683,787,006	71,457,595	-	755,244,601		25,142,538	304,996,217	450,248,384	

B. REVALUATION

Particulars	Revaluation			Rate (%)	Depreciation			Written Down Value (WDV) As at 30 June 2025	
	As at 01 July 2024	Addition during the year	Disposal during the year		As at 01 July 2024	Charged during the year	Adj./Disposed off during the year		As at 30 June 2025
	-	560,752,500	-		-	-	-		-
Land & Land Development	-	560,752,500	-	-	-	-	-	560,752,500	
Sub Total (B) (30 June 2025)	-	560,752,500	-	560,752,500	-	-	-	560,752,500	
Total (A+B) (30 June 2025)	755,244,601	560,921,051	-	1,316,165,652	-	25,278,251	330,274,468	985,891,184	

Lease Assets

Particulars	As at 01 July 2024	Addition during the year	Disposal during the year	As at 30 June 2025	Rate (%)	Charged during the year	Adj./Disposed off during the year	As at 30 June 2025
Right of Use Assets	18,298,484	-	1,382,126	16,916,358	Lease term	5,337,003	-	13,892,639
30 June 2025	773,543,085	560,921,051	1,382,126	1,333,082,010	-	30,615,254	-	988,914,903
30 June 2024	711,063,359	77,825,876	15,346,150	773,543,085	-	30,479,540	7,536,183	459,991,232

30 June 2025		30 June 2024	
Taka		Taka	
29,351,341	29,222,413	8,555,636	13,892,639
1,263,913	1,257,127	313,551,853	344,167,107
30,615,254	30,479,540	290,608,496	313,551,853

Allocation of depreciation charged during the year :
Factory Overhead (Note -28.3)
General and Administrative Expenses (Note -29)





সিভিও পেট্রোক্যামিকেল রিফাইনারী পিএলসি
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