# MJL Bangladesh Limited

## Auditors' Report and Consolidated Financial Statements

## for the year ended 31 December 2014

AMAR STOCK

## AUDITORS' REPORT

### To the Shareholders of MJL Bangladesh Limited

We have audited the accompanying Consolidated Financial Statements of MJL Bangladesh Limited, which comprise the Consolidated Statement of Financial Position as at 31 December 2014, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, consolidated the financial statements present fairly, in all material respects, the financial position of MJL Bangladesh Limited as at 31 December 2014 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), and comply with applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

**We also report that:**

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 Consolidated 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.

**A. Qasem & Co.**
Chartered Accountants

Dhaka, 27 April 2015

**MJL Bangladesh Limited**
**Consolidated Statement of Financial Position**
**As at 31 December 2014**

| | Notes | 2014 Taka | 2013 Taka |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | 3 | 5,226,286,642 | 5,102,601,777 |
| Intangible assets | 4 | 7,105,360 | 7,405,409 |
| Capital work-in progress | 5 | 4,898,418,813 | 1,412,755,850 |
| Investment in subsidiary | 6 | - | 183,001,000 |
| Investment in bonds and shares | 7 | 75,538,594 | 76,282,069 |
| **Total non-current assets** | | **10,207,349,409** | **6,782,046,105** |
| Inventories | 8 | 2,184,871,485 | 1,495,101,363 |
| Trade and other receivables | 9 | 448,257,709 | 405,419,676 |
| Inter Group/company receivables | 10 | 398,243,399 | 347,565,897 |
| Advances, deposits and prepayments | 11 | 540,249,319 | 1,861,518,151 |
| Advance income tax | 12 | 1,444,322,630 | 1,226,549,538 |
| Investments in fixed deposits | 13 | 1,916,749,096 | 1,833,902,362 |
| Cash and cash equivalents | 14 | 308,469,681 | 179,548,607 |
| **Total current assets** | | **7,241,163,319** | **7,349,605,594** |
| **TOTAL ASSETS** | | **17,448,512,728** | **14,131,651,699** |
| **EQUITY AND LIABILITIES** | | | |
| Share capital | 15 | 2,384,732,000 | 2,384,732,000 |
| Share premium | | 4,074,000,000 | 4,074,000,000 |
| Share money deposits | | 757,800,000 | 448,200,000 |
| Retained earnings | 16 | 1,294,254,892 | 840,352,700 |
| | | **8,510,786,892** | **7,747,284,700** |
| Non-controlling interest | 17 | 61,889,827 | 33,064,726 |
| **Total Equity** | | **8,572,676,719** | **7,780,349,426** |
| **Liabilities** | | | |
| Deferred tax liabilities | 18 | 450,682,227 | 327,492,869 |
| Long term loan | | 1,565,275,507 | 97,812,499 |
| **Total non-current liabilities** | | **2,015,957,734** | **425,305,368** |
| Short term portion of long term loan | | 358,253,244 | 391,250,000 |
| Short term loan | 19 | 4,374,565,494 | 4,056,684,687 |
| Bank overdraft | 20 | 161,746,464 | - |
| Trade Creditors | 21 | 307,756,140 | 256,081,235 |
| Provision for Income Tax | 22 | 1,282,998,060 | 981,611,795 |
| Subscription money payable | | 15,195,608 | 15,764,393 |
| Dividend payable | | 24,620,747 | 16,905,420 |
| Other liabilities | 23 | 334,742,518 | 207,699,375 |
| **Total current liabilities** | | **6,859,878,275** | **5,925,996,905** |
| **Total liabilities** | | **8,875,836,009** | **6,351,302,273** |
| **TOTAL EQUITY AND LIABILITIES** | | **17,448,512,728** | **14,131,651,699** |
| **Net Asset Value(NAV)- Consolidated** | 30 | **35.95** | **32.63** |

**FOOTNOTES:**
1. Auditors' Report - Page 1.
2. The accompanying notes form an integral part of these consolidated financial statements.

**Chairman** **Managing Director** **Chief Financial Officer** **Company Secretary**

This is Statement of Financial Position referred to in our separate report of even date.

**A. Qasem & Co.**
Chartered Accountants

Dhaka, 27 April 2015

## MJL Bangladesh Limited
### Statement of Financial Position
**As at December 31, 2014**

| | Note | 2014 Taka | 2013 Taka |
|---|---|---|---|
| **ASSETS** | | | |
| Property, plant and equipment | 3A | 4,676,805,808 | 4,804,497,138 |
| Intangible assets | 4 | 7,105,360 | 7,405,409 |
| Capital work-in progress | 5A | 128,345,166 | 100,164,615 |
| Investment in subsidiary | 6A | 2,498,520,205 | 1,897,813,107 |
| Investment in bonds and shares | 7A | 75,538,592 | 76,282,069 |
| **Total non-current assets** | | **7,386,315,131** | **6,886,162,338** |
| **Current assets** | | | |
| Inventories | 8A | 1,762,941,561 | 1,495,101,365 |
| Receivables | 9A | 402,492,148 | 324,265,188 |
| Inter company receivables | 10A | 645,341,305 | 365,937,133 |
| Advances, deposits and prepayments | 11A | 240,688,127 | 248,400,109 |
| Advance income tax | 12A | 1,425,020,978 | 1,221,915,372 |
| Investments in fixed deposits | 13A | 1,916,749,096 | 1,408,903,351 |
| Cash and cash equivalents | 14A | 304,288,766 | 155,580,289 |
| **Total current assets** | | **6,697,521,981** | **5,220,102,807** |
| **TOTAL ASSETS** | | **14,083,837,112** | **12,106,265,145** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 15A | 2,384,732,000 | 2,384,732,000 |
| Share premium | | 4,074,000,000 | 4,074,000,000 |
| Retained earnings | 16A | 1,385,591,423 | 879,362,866 |
| **Total equity** | | **7,844,323,423** | **7,338,094,866** |
| **Liabilities** | | | |
| Deferred tax liabilities | 18 | 450,682,227 | 327,492,869 |
| Long term loan | | - | 97,812,500 |
| **Total non-current liabilities** | | **450,682,227** | **425,305,369** |
| **Current liabilities** | | | |
| Current portion of long term loan | | 98,687,500 | 391,250,000 |
| Short term loan | 19A | 3,761,344,600 | 2,532,657,051 |
| Bank overdraft | 20A | 126,793,086 | - |
| Trade creditors | 21A | 229,481,551 | 228,920,597 |
| Provision for income tax | 22A | 1,279,788,155 | 974,469,132 |
| Subscription money payable | | 15,195,608 | 15,764,393 |
| Unpaid dividend | | 24,620,747 | 16,905,421 |
| Other liabilities | 23A | 252,920,215 | 182,898,316 |
| **Total current liabilities** | | **5,788,831,462** | **4,342,864,910** |
| **Total liabilities** | | **6,239,513,689** | **4,768,170,279** |
| **TOTAL EQUITY AND LIABILITIES** | | **14,083,837,112** | **12,106,265,145** |
| **Net asset value (NAV)** | 30A | **32.89** | **30.77** |

The annexed notes form an integral part of these financial statements.

**Chairman** **Managing Director** **Chief Financial Officer** **Company Secretary**

As per our report of same date.

Dhaka, 27 April 2015

**A. Qasem & Co.**
Chartered Accountants

**MJL Bangladesh Limited**
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**
**For the year ended 31 December 2014**

| | Notes | 2014 Taka | 2013 Taka |
|---|---|---|---|
| **Revenue** | | 9,350,209,870 | 8,140,648,189 |
| Less: VAT | | 1,056,338,923 | 938,971,574 |
| Net revenue | 24 | 8,293,870,947 | 7,201,676,615 |
| Less: Cost of revenue | 25 | 6,113,292,916 | 5,704,644,275 |
| **Gross profit** | | **2,180,578,031** | **1,497,032,340** |
| Add: Other income | 26 | 283,445,960 | 252,276,200 |
| | | 2,464,023,991 | 1,749,308,540 |
| Less: Administrative and selling expenses | 27 | 678,806,149 | 528,768,590 |
| **Income from operation** | | **1,785,217,842** | **1,220,539,950** |
| Less: Financial charge | 28 | 212,359,375 | 263,379,182 |
| | | 1,572,858,467 | 957,160,768 |
| Less: Contribution to Workers' Profit Participation Funds (WPPF) | | 81,527,900 | - |
| Profit before tax | | 1,491,330,567 | 957,160,768 |
| Less: Provision for Income Tax | | | |
| Current tax | 22 | 323,588,449 | 187,754,134 |
| Deferred tax | 18 | 123,189,358 | 84,311,055 |
| | | 446,777,807 | 272,065,189 |
| **Net profit after tax** | | **1,044,552,760** | **685,095,579** |
| Less: Non Controlling Interest (Share of operating profit/(loss) | | (5,532,432) | 14,579,460 |
| **Total Comprehensive Income attributable to Ordinary Share Holders** | | **1,050,085,192** | **699,675,039** |
| **Earning per share (EPS) - Consolidated** | 29 | **4.40** | **2.93** |

**FOOTNOTES:**
1. Auditors' Report - Page 1.
2. The accompanying notes form an integral part of these consolidated financial statements.

**Chairman** **Managing Director** **Chief Financial Officer** **Company Secretary**

This is Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

**A. Qasem & Co.**
Chartered Accountants

Dhaka, 27 April 2015

## MJL Bangladesh Limited

### Statement of Profit or Loss and Other Comprehensive Income

### For the year ended 31 December 2014

Amounts in Taka

| | Note | 2014 | | | | 2013 |
|---|---|---|---|---|---|---|
| | | Oil Tanker Unit | Manufacturing Unit | Trading Unit | Total | Total |
| Revenue | | 1,128,464,215 | 3,995,326,192 | 4,175,219,986 | 9,299,010,393 | 8,126,992,918 |
| Less: VAT | | - | 515,206,033 | 541,132,891 | 1,056,338,924 | 938,971,574 |
| Net revenue | 24A | 1,128,464,215 | 3,480,120,159 | 3,634,087,095 | 8,242,671,469 | 7,188,021,344 |
| Less: Cost of revenue | 25 | 734,471,464 | 2,390,361,050 | 2,988,460,402 | 6,113,292,916 | 5,704,644,275 |
| Gross profit | | 393,992,751 | 1,089,759,109 | 645,626,693 | 2,129,378,553 | 1,483,377,069 |
| Add: Other income | 26A | - | 80,206,179 | 83,754,649 | 163,960,828 | 228,589,096 |
| | | 393,992,751 | 1,169,965,288 | 729,381,342 | 2,293,339,381 | 1,711,966,165 |
| Less: Administrative and selling expenses | 27A | 112,096,465 | 169,200,204 | 176,685,933 | 457,982,602 | 462,360,641 |
| Financial charges | 28A | 24,143,299 | 88,372,852 | 92,282,631 | 204,798,782 | 262,797,631 |
| | | 136,239,764 | 257,573,056 | 268,968,564 | 662,781,384 | 725,158,272 |
| | | 257,752,987 | 912,392,232 | 460,412,778 | 1,630,557,997 | 986,807,893 |
| Contribution to Workers' Profit Participation Funds (WPPF) | | | | | 81,527,900 | - |
| Profit before tax | | | | | 1,549,030,097 | 986,807,893 |
| Less: Provision for income tax: | | | | | | |
| Current tax | | | | | 323,429,182 | 180,611,470 |
| Deferred tax | 18 | | | | 123,189,358 | 84,311,055 |
| | | | | | 446,618,540 | 264,922,525 |
| **Net Profit after tax** | | | | | **1,102,411,557** | **721,885,368** |
| **Other comprehensive income** | | | | | - | - |
| **Total comprehensive income** | | | | | **1,102,411,557** | **721,885,368** |
| **Earning per share (EPS) - Basic** | 29A | | | | **4.62** | **3.03** |

The annexed notes form an integral part of these financial statements.

**Chairman** **Managing Director** **Chief Financial Officer** **Company Secretary**

As per our report of same date.

Dhaka, 27 April 2015

**A. Qasem & Co.**
Chartered Accountants

**MJL Bangladesh Limited**
**Consolidated Statement of Changes in Equity**
**As of 31 December 2014**

| Particulars | Share Capital | Share Premium | Share Money Deposit | Retained Earnings | Non Controlling Interest | Equity (Total) |
|---|---|---|---|---|---|---|
| **Balance at 01 January 2013** | **2,384,732,000** | **4,074,000,000** | **-** | **736,860,660** | **-** | 7,195,592,660 |
| Share Capital Issued-Stock Dividend | - | - | - | - | - | - |
| Share Money Deposit | - | - | 448,200,000 | - | - | 448,200,000 |
| Share Premium | - | - | - | - | - | - |
| Ordinary Share Capital | - | - | - | - | 52,779,000 | 52,779,000 |
| Dividend for the year 2012 | - | - | - | (596,183,000) | - | (596,183,000) |
| Net Profit after Tax | - | - | - | 699,675,040 | (19,714,274) | 679,960,766 |
| **Balance at 31 December 2013** | **2,384,732,000** | **4,074,000,000** | **448,200,000** | **840,352,700** | **33,064,726** | **7,780,349,426** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Balance at 01 January 2014** | **2,384,732,000** | **4,074,000,000** | **448,200,000** | **840,352,700** | **-** | 7,747,284,700 |
| Share Capital Issued | - | - | - | - | - | - |
| Share Money Deposit | - | - | 309,600,000 | - | - | 309,600,000 |
| Share Premium | - | - | **-** | **-** | **-** | - |
| Ordinary Share Capital | - | - | **-** | (596,183,000) | 87,136,533 | (509,046,467) |
| Dividend for the year 2013 | - | - | - | - | - | - |
| Net Profit after Tax | - | - | - | 1,050,085,192 | (25,246,706) | 1,024,838,486 |
| **Balance at 31 December 2014** | **2,384,732,000** | **4,074,000,000** | **757,800,000** | **1,294,254,892** | **61,889,827** | **8,572,676,719** |

**MJL Bangladesh Limited**
**Statement of Changes in Equity**
**For the year ended 31 December 2014**

**Amounts in Taka**

| Particulars | Share Capital | Share Premium | Retained Earnings | Equity (Total) |
|---|---|---|---|---|
| **Balance as at 01 January 2013** | **2,384,732,000** | **4,074,000,000** | **753,660,498** | 7,212,392,498 |
| Issuance of bonus shares | | | - | - |
| Dividend for the year 2012 | - | | (596,183,000) | (596,183,000) |
| Net Profit after Tax | - | | 721,885,368 | 721,885,368 |
| **Balance as at 31 December 2013** | **2,384,732,000** | **4,074,000,000** | **879,362,867** | **7,338,094,866** |

| | | | | |
|---|---|---|---|---|
| **Balance as at 01 January 2014** | **2,384,732,000** | **4,074,000,000** | **879,362,867** | **7,338,094,866** |
| Dividend for the year 2013 | - | - | (596,183,000) | (596,183,000) |
| Net Profit after Tax | - | - | 1,102,411,557 | 1,102,411,557 |
| **Balance as at 31 December 2014** | **2,384,732,000** | **4,074,000,000** | **1,385,591,424** | **7,844,323,423** |

AMAR STOCK

**MJL Bangladesh Limited**
**Consolidated Statement of Cash Flows**
**For the year ended 31 December 2014**

| | 2014<br>Taka | 2013<br>Taka |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from trade and other receivables | 8,198,018,356 | 7,150,417,718 |
| Payroll and other payments to employees | (349,333,499) | (276,523,084) |
| Payment to trade and other payables | (6,663,402,567) | (5,332,944,923) |
| Payment for administrative and selling expenses | (373,926,489) | (365,115,573) |
| Finance expenses paid | (198,217,011) | (258,768,636) |
| Income tax paid | (225,307,790) | (195,217,735) |
| Received against other business income | 19,395,182 | 39,058,310 |
| **A. Net cash flows from operating activities** | **407,226,182** | **760,906,077** |
| | | |
| **Cash flow from investing activities** | | |
| Payment against capital work in progress | (2,012,610,700) | (2,459,743,915) |
| Proceeds from sale of fixed assets | 513,515 | 2,072,998 |
| Encashment of FDR & Bonds/(Investment in FDR & Bonds) | (82,846,733) | (42,969,395) |
| Investment in Subsidiary | (833,862,892) | 196,519 |
| Investments | (49,934,024) | (301,649,905) |
| Acquisition of fixed assets | (306,248,585) | (74,182,832) |
| **B. Net cash used in investing activities** | **(3,284,989,419)** | **(2,876,276,530)** |
| | | |
| **Cash flows from financing activities:** | | |
| Financial income received | 201,274,821 | 231,987,632 |
| Share capital issued | 73,507,937 | 52,469,845 |
| Long term debt | (390,375,000) | (414,762,500) |
| Share premium received | 1,057,548,221 | 448,200,000 |
| Subscription money paid | (568,785) | (1,039,634) |
| Dividend paid | (589,713,396) | (591,301,442) |
| Short term loan | 774,399,965 | 2,477,176,402 |
| Bank overdraft | 224,867,539 | (84,028,416) |
| Long term loan (project) | 1,655,762,586 | - |
| **C. Net cash flows from financing activities** | **3,006,703,890** | **2,118,701,887** |
| | | |
| **Net increase in cash and cash equivalent (A+B+C)** | 128,940,652 | 3,331,434 |
| Cash and cash equivalent at beginning of the year | 179,529,029 | 176,217,173 |
| **Cash and cash equivalent at end of the year** | **308,469,681** | **179,548,607** |
| | | |
| **Consolidated net Operating Cash Flow Per Share (NOCFPS)** | **1.71** | **3.19** |

AMARSTOCK

# MJL Bangladesh Limited
## Statement of Cash Flows
### For the year ended 31 December 2014

| | | 2014<br>Taka | 2013<br>Taka |
|---|---|---|---|
| **A.** | **Cash flows from operating activities:** | | |
| | Cash received from revenue | 8,162,711,342 | 7,136,904,726 |
| | Payroll and other payments to employees | (256,712,376) | (255,473,364) |
| | Payment to suppliers | (6,147,910,959) | (5,298,525,936) |
| | Payment for admin & selling expenses | (288,893,392) | (275,205,634) |
| | Finance expenses paid | (202,194,954) | (258,240,781) |
| | Income tax paid | (221,215,765) | (195,217,735) |
| | Other business income | 6,244,599 | 12,222,337 |
| | **Net cash flow from operating activities** | **1,052,028,495** | **866,463,613** |
| **B.** | **Cash flows from investing activities:** | | |
| | Payment against capital work-in progress | (30,014,823) | (107,921,000) |
| | Proceeds from sale of fixed assets | 500,000 | 2,072,998 |
| | Encashment of FDR & Bonds/(Investment in FDR & Bonds) | (507,845,745) | 163,229,617 |
| | Investment in subsidiary | (829,433,769) | (697,766,015) |
| | Investments | (49,934,024) | (301,649,905) |
| | Acquisition of fixed assets | (41,413,039) | (49,551,020) |
| | **Net cash (used in)/flow from investing activities** | **(1,458,141,400)** | **(991,585,325)** |
| **C.** | **Cash flows from financing activities:** | | |
| | Financial income received | 179,997,928 | 215,048,469 |
| | Long term debt | (390,375,000) | (414,762,500) |
| | Subscription money paid | (568,785) | (1,039,634) |
| | Dividend paid | (589,713,396) | (591,301,442) |
| | Short term loan | 1,228,687,550 | 979,581,744 |
| | Bank overdraft | 126,793,085 | (81,647,104) |
| | **Net cash flow from/(used in) financing activities** | **554,821,382** | **105,879,533** |
| **D.** | **Net cash (deficit)/surplus for the year (A+B+C)** | 148,708,477 | (19,242,179) |
| **E.** | Cash & cash equivalent at beginning of the year | 155,580,289 | 174,822,468 |
| **F.** | **Cash & cash equivalent at end of the year** | **304,288,766** | **155,580,289** |
| | **Net operating cash flow per share (NOCFPS)** | **4.41** | **3.63** |

AMAR STOCK

**MJL Bangladesh Limited**
**Notes to the Financial Statements**
**As at and for the year ended 31 December 2014**

## 1. Background of the company

### 1.1 Company profile

Mobil Jamuna Lubricants Limited was incorporated on 3 December 1998 as a private limited company. The company went into commercial operations on 20 May 1999. The Company converted into Public Limited Company on 03 December 2009 and changed its name to MJL Bangladesh Limited. The shares of the company are publicly traded in Dhaka and Chittagong Stock Exchanges from June 2011.

### 1.1.1 Registered office

The address of the Company's registered office is Mobil House, CWS (C) 9, Gulshan-1, Dhaka-1212.

### 1.1.2 Nature of Business

The Company owns the State-of-the -art lube Oil blending plant and blending and sells lubricants in local market and exports some of its products in international market.

### 1.1.3 Vessel - MT Omera Queen

MT Omera Queen (MTOQ) is a Crude Oil Tanker previously named as Okeanis which was Greece flag, Port of Registry was Pireaus. Omera Queen was built in 26th Nov 1997 by the TSU Works Universal Shipbuilding, Japan under Lloyds Register class. According to IPO declaration, MTOQ was purchased by MJL Bangladesh Limited under the Memorandum of Agreement dated 21st January 2011 and delivered to the owner on 21st March 2011She changed her flag to Bangladesh on Sept'2011 and Port of Registry is Chittagong under the Technical Management of Timur Ship Management Pte Ltd, Singapore and Commercial Management of EC Bulk Carriers Limited, Dhaka, Bangladesh. Omera Queen is the largest AFRAMAX Oil Tanker by a Bangladeshi Ship Owner and Bangladeshi Flagged vessel. At present its present trading route is Persian Gulf and Arabian Sea.

### 1.1.4 Description of subsidiary and associate

**i. Omera Petroleum Limited (OPL)**

Omera Petroleum Limited is a subsidiary of MJL Bangladesh Limited. MJL Bangladesh possesses 75% share of its shares. The primary objective of the company is to build an LPG (Liquefied Petroleum Gas) plant to import, store, bottle and distribute LPG through a strong marketing channel in the country. The main LPG Terminal will be located in Mongla (Bagerhat) in one of its industrial plot on the west side of 100 Feet wide Khulna-Mongla main road and East side of Pussur River. Primarily, the project with three satellite LPG bottling plant in three different locations of the country. The actual capacity of the plant will be 50 MT. The project is currently under implementation as part of our expansion plan.

**ii. Omera Cylinders Limited (OCL)**

Omera Cylinders Limited (OCL), a subsidiary of MJL Bangladesh Limited has taken an initiative for setting up a LPG Cylinder manufacturing Plant to cater the ever increasing market demand for LPG as alternative fuel power requirement of the country .Having the technical expertise and good professional people, the company has the potential to deliver quality LPG Cylinder at an affordable rate to the intended segment of the market which will eventually play a significant role in the process of industrialization of the country. The particulars of the proposed LPG cylinder manufacturing plant will be as follows :
Cylinder Sizes:
12.5 kg Cylinders- 80% of total Production
5.5 kg Cylinders- 10% of total Production
35 kg cylinders- 10% of total Production
MJL Bangladesh possesses 99.99% share of its shares.

**iii. MJL & AKT Petroleum Limited**

MJL & AKT Petroleum Limited is a subsidiary Company of MJL Bangladesh Limited, incorporated in Myanmer to carry out business as the authorized importer, dealer and distributer of Exxon Mobil engine Oil. MJL Bangladesh possesses 51% of its shares.

## 2 Basis of accounting

### 2.01 Statement of Compliance

These consolidated financial statements have been prepared in accordance with The Bangladesh Financial Reporting Standards (BFRSs), and the Companies Act 1994 and Security Exchange Rules 1987. The title and format of these consolidated financial statements follow the requirements of BFRS which are to some extent different from those prescribed by the Companies Act. However, such differences are not material and management views BFRS titles and format give better presentation to the shareholders.

### 2.02 Reporting period

The financial period of the company covers year ended 01 January to 31 December.

### 2.03 Inventories

Inventories are valued in accordance with BAS-2: Inventories i.e. at cost or estimated net realizable value whichever is lower. The cost of inventories includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion of considering the selling. When the inventories are used, the carrying amount of those inventories are recognized in the period in which the related revenue is recognized.

### 2.04 Statement of Cash flows

Statement of cash flows is prepared principally in accordance with BAS-7: Statement of Cash Flows and the cash flows from operating activities have been presented under direct method as per part III of the Securities & Exchange Rules 1987.

### 2.05 Use of estimates and judgments

"In the preparation of the financial statements management required to make judgments, estimates and assumptions as per BAS 8 : ""Accounting policies, Changes in Accounting estimates and errors"" that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected."

### 2.06 Events after reporting date

All material events occurring after the reporting date are considered and where necessary, adjusted for or disclosed.

Interim dividend is recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

Dividend payable to the company's shareholders is recognized as a liability and deducted from the shareholders' equity in the year in which the shareholders' right to receive payment is established.

### 2.07 Taxation:

Provision for current taxation

Provision for current income tax has been made as per prescribed rate in the Finance Act, 2013 on the accounting profit made by the company after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 " Income taxes".

Provision for deferred taxation

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 that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the statement of comprehensive income as per BAS-12 "Income taxes".

**2.08 Property, plant and equipment (PPE):**

**i. Recognition and measurement**

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the company and the cost of the assets can be reliably measured.

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 " Property, plant and equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

**ii. Subsequent Costs**

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance, is normally charged off as revenue expenditure in the period in which it is incurred.

**iii. Depreciation of Property, plant & equipment**

Depreciation is charged for the year at the following rates on straight line method on all fixed assets and no depreciation is charged on land and work-in-progress:

| Category of fixed assets | Rate |
|---|---|
| Land | Nil |
| Building | 4-8.33% |
| Furniture and fixtures | 6.67-20% |
| Equipment | 4-20% |
| IT Equipment | 4-33.33% |
| Machinery | 4-20% |
| Vehicles | 10-20% |
| Oil Tanker | 8.33% |
| Software | 6.67-20% |

For additions during the year, depreciation is charged on monthly basis from the month of acquisition and no depreciation is charged during the month when disposed off.

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of the assets and net sale proceeds.

**2.09 Intangible assets**

i. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.

ii. Software represents the value of computer application software licensed for use of the Company. Intangible assets are carried at its cost, less accumulated amortization and impairment loss (if any).

iii. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use.

iv. Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.

v. ERP software named Lubes Enterprise Information system (LENISYS) purchased from Technovista as Local vendor is amortized using the straight line method over the estimated useful life of 15 (fifteen) years & Other Software is amortized over the estimated useful life of 5(five) years commencing from the date of the application software is available for use over the best estimate of its useful economic life.

**2.10 Revenue recognition**

In accordance with the provisions of the BAS-18 "Revenue"; revenue represents the invoice value of goods supplied and service provided to customers during the period. Revenue from the sale of goods is measured at fair value of the consideration received or receivable and is exclusive of VAT. Revenue from sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership are transferred to the buyer. Transfer of risks and rewards occurs for the sale of goods when delivery certificate is raised against confirmed orders. Revenue of freight from the Vessel (M.T. Omera Queen) is recognized at invoice date.

**2.11 Interest income**

The interest income is recognized on accrual basis as agreed terms and conditions with the banks.

**2.12 Dividend income on shares**

Dividend income on shares is recognized when the shareholders' right to receive payment is established which is usually when dividend is declared and ascertained.

**2.13 Benefits to the employees**

The retirement benefits accrued for the employees of the company as on reporting date have been accounted for in accordance with the provisions of Bangladesh Accounting Standard-19, "Employee Benefit". Bases of enumerating the retirement benefit schemes operated by the company are outlined below:

**i. Provident fund**

Provident fund benefits are given to the permanent employees of the company in accordance with company's service rules. Accordingly a trust deed and provident fund rules were prepared. The provident fund has been approved as a recognized provident fund within the meaning of section 2(52), read with the provisions of part - B of the First Schedule of Income Tax Ordinance 1984. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the Fund. The company also contributes equal amount of the employees' contribution. Interest or profit earned from the investments is credited to the members' account on yearly basis.
The company introduced contributory Provident Fund Scheme from September 2009.

**ii. Gratuity fund**

The company operates a gratuity scheme, in respect of which provision is made annually covering all its permanent eligible employees. Actuarial valuation of gratuity scheme had been made to assess the adequacy of the liabilities provided for the scheme as per BAS-19 " Employee Benefits".
The company introduced Gratuity Scheme from June 2010.

**iii. Contribution to Workers' Profit Participation and Welfare Funds**

The Company recognizes a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Labour Act, 2006.

**2.14 Foreign currency transaction**

**i. Foreign currency**

Items included in the financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates, i e. the functional currency. The financial statements of the company are presented in Taka which is the company's functional and presentation currency.

**ii. Foreign currencies translation gains and losses**

Foreign currencies are translated into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are translated at the rates prevailing at the date of statement of financial position. Differences arising on conversion are charged or credited to the statement of comprehensive income.

**2.15 Earnings per share**

**i. Basic earnings per share**

Basic earnings per share has been calculated in accordance with BAS 33 "Earnings per Share" which has been shown on the face of the statement of comprehensive income. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

**ii. Diluted earnings per share**

The company issued bonus shares to the shareholder. In order to reflect the bonus element, the number to be used in calculating diluted earnings per share, is the number of ordinary shares outstanding after giving effect of the bonus issued (time apportioned if necessary) and multiplied by adjusting factor.
Diluted ordinary shares be deemed to have been converted into ordinary shares at the beginning of the period.

**2.16 Provision for liabilities**

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the BAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

**2.17 Share premium**

Share premium is the capital that the company raises upon issuing shares that is in excess of the nominal value of the shares. The share premium may be applied by the company in paying up unissued shares to be allotted to members as fully paid bonus shares or writing-off the preliminary expenses of the company or the expenses of or the commission paid or discount allowed on, any issue of shares or debentures of the company or in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company. Share premium was shown in accounts after deduction of income tax @3% on share premium as per Finance Act-2011.

**2.18 Cash and cash equivalents**

Cash and cash equivalents include notes and coins in hand and at banks.

**2.19 Capital work in progress**

Capital work in progress is reported on the basis of the report prepared by the construction company.

**2.20 Allocation of common costs between trading and manufacturing units**

Common costs from January 01 to December 31 have been allocated between trading , manufacturing and shipping units on the basis of proportionate sales revenue.

**2.21 General**

i. Figures have been rounded off to the nearest Taka.

ii. Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

iii. The number of employees drawing Tk.3,000 or more per month during the year was 156 (2013: 144).

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| 3 | **Consolidated property, Plant and equipment** | | |
| | **At cost** | | |
| | Balance as at 01 January | 5,718,221,766 | 5,225,828,053 |
| | Add: Addition during the year | 308,071,182 | 508,708,472 |
| | | 6,026,292,948 | 5,734,536,525 |
| | Less: Disposal/adjustment during the year | 1,915,187 | 16,314,759 |
| | **Balance as at 31 December** | **6,024,377,762** | **5,718,221,766** |
| | **Accumulated depreciation** | | |
| | Balance as at 01 January | 615,644,205 | 456,599,478 |
| | Add: Addition during the year | 183,633,115 | 162,739,001 |
| | | 799,277,321 | 619,338,479 |
| | Less: Adjustment on disposal | 1,792,132 | 3,694,274 |
| | **Balance as at 31 December** | 797,485,189 | 615,644,205 |
| | Adjustment of exchange rate | (605,931) | 24,221 |
| | | **798,091,120** | **615,619,984** |
| | **Written down value as at 31 December** | **5,226,286,642** | **5,102,601,777** |

Note: Schedule of property, plant and equipment and depreciation thereon is presented in Annexure-A.

| | | | |
|---|---|---|---|
| 3A | **Property, plant & equipments** | | |
| | **A. Cost** | | |
| | Opening balance | 5,411,991,349 | 4,944,229,448 |
| | Add: Addition during the year | 43,123,732 | 484,076,660 |
| | | 5,455,115,081 | 5,428,306,108 |
| | Less: Adjustment/ Disposal during the year | 1,869,146 | 16,314,759 |
| | Total (A) | 5,453,245,935 | 5,411,991,349 |
| | **B. Accumulated depreciation** | | |
| | Opening balance | 607,494,209 | 454,167,118 |
| | Add: Charged during the year | 170,716,247 | 157,021,373 |
| | | 778,210,456 | 611,188,491 |
| | Less: Adjustment/ Disposal during the year | 1,770,329 | 3,694,281 |
| | Total own assets (B) | 776,440,127 | 607,494,210 |
| | **C. Written down value (A-B)** | **4,676,805,808** | **4,804,497,138** |

A schedule of property, plant & equipments is given in annexure-A1.

| | | | |
|---|---|---|---|
| 4 | **Intangible assets** | | |
| | **A. Cost** | | |
| | Opening balance | 9,679,492 | 4,157,977 |
| | Add: Addition during the year | 1,369,301 | 5,521,515 |
| | Total cost (A) | **11,048,793** | **9,679,492** |
| | **B. Accumulated depreciation** | | |
| | Opening balance | 2,274,083 | 1,254,837 |
| | Add: Charged during the year | 1,669,350 | 1,019,246 |
| | Total accumulated depreciation (B) | **3,943,433** | **2,274,083** |
| | **C. Written down value (A-B)** | **7,105,360** | **7,405,409** |

A schedule of intangible assets is given in annexure-B.

| | | | Amounts in Taka | |
|---|---|---|---|---|
| | | | For the year ended 31 December | |
| | | | 2014 | 2013 |
| **5** | **Consolidated capital work in progress** | | | |
| | Balance as at 01 January | | 1,412,755,850 | 791,375,229 |
| | Add: Addition during the year | | 3,537,871,850 | 1,084,090,841 |
| | | | 4,950,627,700 | 1,875,466,070 |
| | Less: Transferred during the year | | 52,208,887 | 462,710,220 |
| | **Balance as at 31 December** | | **4,898,418,813** | **1,412,755,850** |
| **5A** | **Capital work in Progress** | | | |
| | **Capital work in progress** | | | |
| | Opening balance | | 100,164,615 | 419,670,303 |
| | Add: Addition during the year | | 80,389,438 | 143,204,533 |
| | | | 180,554,053 | 562,874,836 |
| | Less: Transferred during the year | | 52,208,887 | 462,710,220 |
| | | | **128,345,166** | **100,164,615** |
| | Capital Work in Progress consists of acquisition of land and preparation of ware house. | | | |
| **6** | **Consolidated investment in subsidiaries** | | | |
| | Investment in Omera Petroleum Ltd | | 1,305,262,497 | 1,305,263,497 |
| | Investment in MJL & AKT Petro Co Lt | | 75,080,878 | 39,321,000 |
| | Investment in Omera Cylinders Ltd | | 1,118,176,831 | 553,228,610 |
| | | | **2,498,520,206** | **1,897,813,107** |
| | Less: Internal company transection | | 2,498,520,206 | 1,714,812,107 |
| | **Balance as at 31 December** | | **-** | **183,001,000** |
| **6A** | **Investment in subsidiary** | | | |
| | Investment in Omera Petroleum Ltd | | 1,305,262,497 | 1,305,263,497 |
| | Investment in MJL & AKT Petroleum Co. Ltd | | 75,080,877 | 39,321,000 |
| | Investment in Omera Cylinders Ltd | | 1,118,176,831 | 553,228,610 |
| | | | **2,498,520,205** | **1,897,813,107** |
| **7** | **Consolidated investment in bonds and shares** | | | |
| | **Total investment as at 31 December 2014** | | 75,538,594 | 76,282,069 |
| **7A** | **Investment in Bonds and Shares** | | | |
| | Investments in bonds | (Note : 7.A1) | 12,476,372 | 23,031,232 |
| | Investment-ACI shares | (Note : 7.A2) | 22,996,302 | 6,482,700 |
| | Investment in portfolio | (Note : 7.A3) | 18,065,918 | 19,268,138 |
| | Investments in mutual funds | (Note : 7.A4) | 22,000,000 | 27,500,000 |
| | | | **75,538,592** | **76,282,069** |
| **7A1** | **Investments in Bonds** | | | |
| | Investments consist of ACI 20% Convertible Zero Coupon Bond | | **12,476,372** | **23,031,232** |
| **7A2** | **Investment-ACI shares** | | | |
| | Investment in ACI shares | | **22,996,302** | **6,482,700** |

| | | | Amounts in Taka | |
|---|---|---|---|---|
| | | | For the year ended 31 December | |
| | | | 2014 | 2013 |
| **7A3** | **Investment in portfolio** | | | |
| | Investment in portfolio accounts through EC Securities Limited | | **18,065,918** | **19,268,138** |
| **7A4** | **Investments in mutual funds** | | | |
| | Investments in Prime Bank First ICB AMCL Mutual Fund | | **22,000,000** | **27,500,000** |
| **8** | **Consolidated inventories** | | | |
| | Investment in Omera Petroleum Ltd | | 1,762,941,561 | 1,495,101,363 |
| | Investment in MJL & AKT Petroleum Co. Ltd | | 140,000,645 | - |
| | Investment in Omera Cylinders Ltd | | 281,929,279 | - |
| | Total inventories as as 31 December 2014 | | **2,184,871,485** | **1,495,101,363** |
| **8A** | **Inventories** | | | |
| | Raw materials | (Note : 8.A1) | 243,680,130 | 534,697,427 |
| | Finished goods | (Note : 8.A2) | 1,030,962,850 | 864,502,923 |
| | Goods in transit | (Note : 8.A3) | 434,968,201 | 11,596,002 |
| | Work-in-progress | (Note : 8.A4) | 13,674,571 | 14,550,695 |
| | Vessel stocks | (Note : 8.A5) | 39,655,808 | 69,754,317 |
| | | | **1,762,941,561** | **1,495,101,365** |
| **8.A1** | **Raw materials** | | | |
| | Opening balance | | 534,697,427 | 849,910,699 |
| | Add: Purchase during the year | | 1,621,400,986 | 1,470,081,665 |
| | | | 2,156,098,413 | 2,319,992,365 |
| | Less: Consumption during the year | | 1,912,418,283 | 1,785,294,937 |
| | | | **243,680,130** | **534,697,427** |
| **8.A2** | **Finished goods** | | | |
| | Opening balance | | 864,502,923 | 628,345,880 |
| | Add: Addition during the year | | 5,747,711,680 | 5,392,128,336 |
| | | | 6,612,214,602 | 6,020,474,216 |
| | Less: Cost of revenue during the year | | 5,581,251,752 | 5,155,971,293 |
| | | | **1,030,962,850** | **864,502,923** |
| **8.A3** | **Goods in transit** | | | |
| | Opening balance | | 11,596,002 | 166,800,981 |
| | Add: Addition during the year | | 5,687,249,573 | 4,675,641,262 |
| | | | 5,698,845,575 | 4,842,442,243 |
| | Less: Transferred during the year | | 5,263,877,374 | 4,830,846,241 |
| | | | **434,968,201** | **11,596,002** |
| **8.A4** | **Work-in-progress** | | | |
| | Opening balance | | 14,550,695 | 27,079,736 |
| | Add: Addition during the year | | 265,635,108 | 261,284,542 |
| | | | 280,185,803 | 288,364,278 |
| | Less: Transferred during the year | | 266,511,232 | 273,813,583 |
| | | | **13,674,571** | **14,550,695** |
| **8.A5** | **Vessel stocks** | | | |
| | Opening balance | | 69,754,317 | 62,052,748 |
| | Add: Addition during the year | | 381,738,859 | 446,403,486 |
| | | | 451,493,176 | 508,456,233 |
| | Less: Consumption during the year | | 411,837,368 | 438,701,916 |
| | | | **39,655,808** | **69,754,317** |

| | | | Amounts in Taka | |
|---|---|---|---|---|
| | | | For the year ended 31 December | |
| | | | 2014 | 2013 |
| **9** | **Consolidated trade and other receivables** | | | |
| | Accounts receivables | | 126,681,440 | 200,659,415 |
| | Receivable from Vessel | | 75,877,111 | 91,156,620 |
| | Accrued interest receivable | | 49,201,692 | 77,359,025 |
| | Claims receivable-others | | - | 76,654 |
| | Other receivables | | 168,090,789 | 9,221,128 |
| | Bank guarantee margin | | 28,406,677 | 26,946,834 |
| | | | **448,257,709** | **405,419,676** |
| **9A** | **Receivables** | | | |
| | Accounts receivables | | 111,891,349 | 125,056,032 |
| | Receivable from vessel freight | | 75,877,111 | 91,156,620 |
| | Accrued interest receivables | | 49,201,692 | 71,884,574 |
| | Other receivables | | 138,626,005 | 9,221,128 |
| | Bank guarantee margin | | 26,895,991 | 26,946,834 |
| | | | **402,492,148** | **324,265,188** |
| **10** | **Consolidated inter Company receivables** | | | |
| | Omera Fuels Limited-Group Company | | 398,243,399 | 347,562,487 |
| | Omera Petroleum Limited-Subsidiary of MJLBL | | 235,000,076 | 2,408,276 |
| | Omera Cylinders Limited-Subsidiary of MJLBL | | 12,782,656 | 15,966,371 |
| | | | **646,026,131** | **365,937,133** |
| | Less: Set-off of subsidiaries' balance | | 247,782,732 | 18,371,236 |
| | **Inter Company receivables-Group Company** | | **398,243,399** | **347,565,897** |
| **10 A** | **Inter Company Receivables** | | | |
| | Omera Fuels Limited | Group Company | 398,239,988 | 347,562,487 |
| | Omera Petroleum Limited | Subsidiary of MJLBL | 235,000,076 | 2,408,276 |
| | Omera Cylinders Limited | Subsidiary of MJLBL | 12,101,241 | 15,966,371 |
| | **Total** | | **645,341,305** | **365,937,133** |
| **11** | **Consolidated advances, deposits and prepayments** | | | |
| | Advance to employees | | 22,459,727 | 13,400,244 |
| | Advance to suppliers | | 309,807,008 | 1,615,689,176 |
| | Prepaid expenses | | 38,789,374 | 21,338,740 |
| | Security deposits | | 17,312,523 | 2,626,826 |
| | VAT receivables | | 116,330,101 | 134,176,707 |
| | Deferred Expenses- MTOQ | | 35,550,586 | 74,219,786 |
| | Bank Guarantee Margin | | - | 66,672 |
| | | | **540,249,319** | **1,861,518,151** |

AMAR STOCK

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **11A** | **Advances, deposits and prepayments** | | |
| | Advance to employees | 7,694,778 | 8,372,800 |
| | Advance to suppliers | 49,948,343 | 11,710,809 |
| | Prepaid expenses | 30,163,819 | 18,919,506 |
| | Security deposits | 1,000,500 | 1,000,500 |
| | VAT receivables | 116,330,101 | 134,176,708 |
| | Deferred expenses- MTOQ | 35,550,586 | 74,219,786 |
| | | **240,688,127** | **248,400,109** |
| **12** | **Consolidated advance income tax** | | |
| | MJL Bangladesh Limited | 1,425,020,978 | 1,221,915,372 |
| | Omera Petroleum Limited | 6,773,330 | 1,993,347 |
| | Omera Cylinders Limited | 12,528,322 | 2,640,819 |
| | MJL & AKT Petroleum Com. Ltd. | | |
| | **Balance as at 31 December** | **1,444,322,630** | **1,226,549,538** |
| **12A** | **Advance income tax** | | |
| | Opening balance | 1,221,915,372 | 1,026,697,637 |
| | Add: Paid/transferred during the year | 221,215,765 | 195,217,735 |
| | | 1,443,131,137 | 1,221,915,372 |
| | Adjustment during the year | 18,110,159 | - |
| | **Closing balance** | **1,425,020,978** | **1,221,915,372** |

AMAR STOCK

| | | | Amounts in Taka | |
|---|---|---|---|---|
| | | | For the year ended 31 December | |
| | | | 2014 | 2013 |
| **13** | **Consolidated investment in fixed deposit** | | | |
| | Hongkong & Shanghai Banking Corporation Ltd. | | 90,000,000 | 875,721,407 |
| | Prime Bank Limited | | 120,443,403 | 98,514,333 |
| | Union Capital Limited | | 710,800,000 | 347,639,166 |
| | Shahjalal Bank Limited | | 176,513,787 | 162,027,455 |
| | AB Bank Limited | | 55,298,156 | 50,000,001 |
| | Prime Finance Limited | | - | 300,000,000 |
| | International Leasing | | 355,772,500 | - |
| | Phoneix Investment | | 207,921,250 | - |
| | LankaBangla Finance | | 190,000,000 | - |
| | One Bank Limited | | 10,000,000 | - |
| | | | **1,916,749,096** | **1,833,902,362** |
| **13A** | **Investments in fixed deposits** | | | |
| | **Name of the bank** | | | |
| | The Hongkong & Shanghai Banking Corporation Ltd. | | 90,000,000 | 450,722,396 |
| | Prime Bank Limited | | 120,443,403 | 98,514,333 |
| | Union Capital Limited | | 710,800,000 | 347,639,166 |
| | Shahjalal Bank Limited | | 176,513,787 | 162,027,455 |
| | AB Bank Limited | | 55,298,156 | 50,000,001 |
| | Prime Finance and Investment Limited | | - | 300,000,000 |
| | International Leasing | | 355,772,500 | - |
| | Phoneix Investment | | 207,921,250 | - |
| | LankaBangla Finance | | 190,000,000 | - |
| | One Bank Limited | | 10,000,000 | - |
| | | | **1,916,749,096** | **1,408,903,351** |
| **14** | **Consolidated Cash and cash equivalents** | | | |
| | Cash in hand | | 434,780 | 179,575 |
| | Cash at bank | | 308,034,902 | 179,369,032 |
| | | | **308,469,681** | **179,548,607** |
| **14A** | **Cash and cash equivalents** | | | |
| | Cash in hand | | 100,127 | 33,549 |
| | Cash at bank | (Note: 14.1) | 304,188,639 | 155,546,740 |
| | | | **304,288,766** | **155,580,289** |
| **14. A1** | **Cash at bank** | | | |
| | **Bank name and type of account** | | | |
| | The Hongkong & Shanghai Banking Corporation Ltd- CD | | 39,554,270 | 12,535,187 |
| | The Hongkong & Shanghai Banking Corporation Ltd- STD | | 7,549,634 | 41,550,212 |
| | The Hongkong & Shanghai Banking Corporation Ltd- USD | | 1,730,162 | 6,210,479 |
| | Hongkong & Shanghai Banking Corporation Ltd- -DIV'12 | | 5,561,322 | 5,870,558 |
| | Standard Chartered Bank-CD | | 1,726,287 | 4,447,901 |
| | Standard Chartered Bank-STD | | 200,214,525 | 122,950 |
| | Standard Chartered Bank-USD | | 2,740,911 | 1,691,428 |
| | Trust Bank Limited-CD | | - | 24,495,558 |
| | Commercial Bank of Ceylon PLC-STD | | 212,222 | 774,746 |
| | Dhaka Bank Limited-STD | | 208,077 | 183,388 |
| | Prime Bank Limited-CD | | 6,867,778 | 7,274,746 |
| | Premier Bank Limited-CD | | 962,230 | 969,816 |
| | CITI Bank N.A.-CD | | - | 22,158,447 |
| | CITI Bank N.A.-STD | | 1,827,961 | 1,804,182 |
| | CITI Bank N.A.-USD | | 1,386,728 | 903,103 |
| | AB Bank Limited-CD | | 9,654 | 1,908 |
| | Brac Bank Limited (EII) | | 3,268,477 | 3,181,807 |
| | Brac Bank Limited (IPO) | | 287,213 | 623,593 |
| | Brac Bank Limited ($) | | 4,082,098 | 4,252,467 |
| | Brac Bank Limited (€) | | 242,804 | 272,103 |
| | Brac Bank Limited (£) | | 445,606 | 466,783 |
| | BracB-1501201831146005 (Plus) | | 15,135,562 | 7,517,977 |
| | BracB-1520201831146001(DIV-10) | | 1,014,900 | 1,141,832 |
| | BracB-1520201831146003(DIV-11) | | 6,885,287 | 6,789,907 |
| | BracB-1520201831146002- Fractn | | 103,631 | 101,172 |
| | AB Bank-4009-774675-430 SND | | 217,728 | 204,490 |
| | BK-HSBC-MJLL-001-012087-070-DIV'13 | | 1,774,140 | - |
| | Bank in Transit | | 179,433 | - |
| | | | **304,188,639** | **155,546,740** |

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **15** | **Consolidated paid-up share capital** | | |
| | 66,330,000 Ordinary shares of Tk.10 each fully paid-up in cash | 663,300,000 | 663,300,000 |
| | 8,750,000 Ordinary shares of Tk.10 each fully paid-up for consideration other than cash | 87,500,000 | 87,500,000 |
| | 163,393,200 Ordinary shares of Tk.10 each fully paid-up for Bonus Share | 1,633,932,000 | 1,633,932,000 |
| | | **2,384,732,000** | **2,384,732,000** |
| **15A** | **Share capital** | | |
| | **Authorised:** | | |
| | 1,000,000,000 ordinary shares of Tk.10 each | 10,000,000,000 | 10,000,000,000 |
| | **Issued, called and paid-up:** | | |
| | 26,330,000 ordinary shares of Tk.10 each fully paid-up in cash | 263,300,000 | 263,300,000 |
| | 105,240,000 ordinary shares of Tk.10 each fully paid-up for bonus share | 1,052,400,000 | 1,052,400,000 |
| | 8,750,000 ordinary shares of Tk.10 each fully paid-up for consideration other than cash | 87,500,000 | 87,500,000 |
| | 40,000,000 shares of Tk.10 each fully paid-up in cash | 400,000,000 | 400,000,000 |
| | 27,048,000 shares of Tk.10 each fully paid-up -bonus share for 2010 | 270,480,000 | 270,480,000 |
| | 31,105,200 shares of Tk.10 each fully paid-up - bonus share for 2011 | 311,052,000 | 311,052,000 |
| | | **2,384,732,000** | **2,384,732,000** |

Details of shareholdings are as under:

| Name of the shareholder | No. of share | % of holding | | |
|---|---|---|---|---|
| EC Securities Limited | 124,153,450 | 58.353 | 1,241,534,500 | 1,391,534,500 |
| Jamuna Oil Company Limited | 46,393,300 | 19.454 | 463,933,000 | 463,933,000 |
| Parkesine Products Ltd. | 5,290 | 0.002 | 52,900 | 52,900 |
| Azam J. Chowdhury | 5,290 | 0.002 | 52,900 | 52,900 |
| Marina Yasmin Chowdhury | 5,290 | 0.002 | 52,900 | 52,900 |
| Tanjil Chowdhury | 5,290 | 0.002 | 52,900 | 52,900 |
| Dilruba Chowdhury | 5,290 | 0.002 | 52,900 | 52,900 |
| Others | 67,900,000 | 22.183 | 679,000,000 | 529,000,000 |
| | **238,473,200** | **100** | **2,384,732,000** | **2,384,732,000** |

| Slab wise number of shares | No. of shareholders | No. of shares | % of holding | % of holding |
|---|---|---|---|---|
| Less than 500 | 87,266 | 8,193,815 | 3.44 | 5.16 |
| From 500 to 5,000 | 5,048 | 8,156,399 | 3.42 | 2.03 |
| From 5,001 to 10,000 | 605 | 4,455,066 | 1.87 | 0.69 |
| From 10,001 to 50,000 | 552 | 11,972,269 | 5.02 | 1.53 |
| From 50,001 to 1,000,000 | 182 | 27,579,732 | 11.57 | 4.92 |
| Above 1,000,000 | 5 | 178,115,919 | 74.69 | 85.68 |
| | **93,658** | **238,473,200** | **100** | **100** |

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **16** | **Consolidated retained earnings** | | |
| | Balance as at 01 January | 840,352,700 | 736,860,660 |
| | Add: Consolidated net profit after tax during the year | 1,050,085,192 | 699,675,040 |
| | | 1,890,437,892 | 1,436,535,700 |
| | Less: Dividend paid for the year 2013 | 596,183,000 | 596,183,000 |
| | | **1,294,254,892** | **840,352,700** |
| **16A** | **Retained earnings** | | |
| | Opening retained earnings | 879,362,866 | 753,660,498 |
| | Add: Net profit after tax during the year | 1,102,411,557 | 721,885,368 |
| | | 1,981,774,423 | 1,475,545,866 |
| | Less: Dividend for the year 2013 | 596,183,000 | 596,183,000 |
| | | **1,385,591,423** | **879,362,866** |
| **17** | **Non-Controlling Interest** | | |
| | Ordinary Share Capital | 87,136,532 | 52,779,000 |
| | Less: Share of net loss of the subsidiaries | 25,246,705 | 19,714,274 |
| | | **61,889,827** | **33,064,726** |

| | | | | As at Dec 31, 2014 Taka |
|---|---|---|---|---|
| **18** | **Deferred tax liabilities** | | | |
| | | Carrying Amount | Tax Base | Taxable/ (Deductable) Temporary |
| | **Manufacturing and trading unit** | | | |
| | Property, plant and equipment | 707,467,000 | 369,689,199 | 337,777,801 |
| | Intangible assets | 7,105,360 | 2,276,434 | 4,828,926 |
| | Investment in share | 75,538,592 | 91,884,379 | (16,345,787) |
| | Gratuity | (462,551) | | (462,551) |
| | **Sub Total** | **789,648,401** | **463,850,012** | **325,798,389** |
| | **Shipping unit** | | | |
| | M. T. Omera Queen | 1,382,053,204 | 69,007,130 | 1,313,046,074 |
| | **Sub total** | **1,382,053,204** | **69,007,130** | **1,313,046,074** |
| | | | | **1,638,844,463** |
| | Applicable rate | | | 27.50% |
| | Deferred tax liability/(asset) as at December 31, 2014 - manufacturing and trading unit | | | **89,594,557** |
| | Deferred tax liability/(asset) as at December 31, 2014 - shipping unit | | | **361,087,670** |
| | | | | **450,682,227** |
| | **Manufacturing and trading unit:** | | | |
| | Deferred tax liability/(asset) as at December 31, 2014 | | | 89,594,557 |
| | Deferred tax liability/(asset) as at December 31, 2013 | | | 82,343,301 |
| | **Deferred tax expenses/(income) for the year ended Dec 31, 2014** | | | **7,251,256** |
| | **Shipping unit:** | | | |
| | Deferred tax liability/(asset) as at December 31, 2014 | | | 361,087,670 |
| | Deferred tax liability/(asset) as at December 31, 2013 | | | 245,149,568 |
| | **Deferred tax expenses/(income) for the year ended Dec 31, 2014** | | | **115,938,102** |
| | **Total deferred tax expense/(income) during the year** | | | **123,189,358** |

| | | | As at Dec 31, 2013 Taka |
|---|---|---|---|
| | Carrying Amount | Tax Base | Taxable/ (Deductable) Temporary |
| **Manufacturing Unit:** | | | |
| Property plant and equipment | 743,658,319 | 407,898,742 | 335,759,577 |
| Intangible assets | 7,405,409 | 3,183,567 | 4,221,842 |
| Provision | 53,250,838 | 60,532,051 | (7,281,214) |
| **Sub Total** | **804,314,566** | **471,614,361** | **332,700,205** |
| **Trading unit** | | | |
| Property plant and equipment | - | - | - |
| Intangible assets | - | - | - |
| Gratuity | - | - | - |
| **Sub Total** | - | - | - |
| **Shipping unit** | | | |
| M.T. Omera Queen | 1,473,553,216 | 483,049,910 | 990,503,306 |
| **Sub total** | **1,473,553,216** | **483,049,910** | **990,503,306** |
| | | | **1,323,203,511** |
| Applicable rate | | | 24.75% |
| Deferred tax liability/(asset) as on December 31, 2013- manufacturing unit | | | **82,343,301** |
| Deferred tax liability/(asset) as on December 31, 2013- trading unit | | | - |
| Deferred tax liability/(asset) as on December 31, 2013- shipping unit | | | **245,149,568** |
| | | | **327,492,869** |
| **Manufacturing Unit:** | | | |
| Deferred Tax Liability/(Asset) as on 31 December 2013 | | | 82,343,301 |
| Deferred Tax Liability/(Asset) as on 31 December 2012 | | | 86,837,110 |
| **Deferred Tax Expenses/(Income) for the year ended 31 December 2013** | | | **(4,493,809)** |
| **Shipping Unit:** | | | |
| Deferred Tax Liability/(Asset) as on 31 December 2013 | | | 245,149,568 |
| Deferred Tax Liability/(Asset) as on 31 December 2012 | | | 156,344,704 |
| **Deferred Tax Expenses/(Income) for the year ended 31 December 2013** | | | **88,804,864** |
| | | **Total** | **84,311,055** |

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **19** | **Consolidated short term loan** | | |
| | **Loan against trust receipt:** | | |
| | The Hong Kong and Shanghai Banking Corporation Limited (HSBC) | 300,392,908 | 1,624,692,601 |
| | Standard Chartered Bank | 267,004,662 | 341,295,442 |
| | Citibank NA | 329,609,436 | 94,040,397 |
| | Liability for import supply | 92,887,397 | 37,309,888 |
| | | **989,894,403** | **2,097,338,328** |
| | **Uses payment at sight loan (UPAS):** | | |
| | The Hong Kong and Shanghai Banking Corporation Limited | 854,565,089 | 391,228,882 |
| | Standard Chartered Bank | 129,188,253 | - |
| | | **983,753,342** | **391,228,882** |
| | **Other facilities (revolving loan and post import financing):** | | |
| | The Hong Kong and Shanghai Banking Corporation Limited | 900,917,749 | 174,153,481 |
| | Standard Chartered Bank | 650,000,000 | 400,000,000 |
| | Citibank NA | 300,000,000 | 70,000,000 |
| | Commercial Bank of Ceylon Limited | 300,000,000 | 100,000,000 |
| | Trust Bank | - | 823,963,996 |
| | Bank Alfalah Ltd | 250,000,000 | - |
| | | **2,400,917,749** | **1,568,117,477** |
| | | **4,374,565,494** | **4,056,684,687** |

**19A Short term loan**

| | | |
|---|---|---|
| Loan against trust receipt: | | |
| The Hong Kong and Shanghai Banking Corporation Limited | 300,392,908 | 333,985,282 |
| Standard Chartered Bank | 267,004,662 | 341,295,442 |
| Citibank N.A. | 329,609,436 | 94,040,397 |
| Liability for import supply | 92,887,397 | 37,309,888 |
| | **989,894,403** | **806,631,009** |
| Uses payment at sight loan (UPAS) | | |
| Standard Chartered Bank | 129,188,253 | - |
| The Hong Kong and Shanghai Banking Corporation Limited | 266,344,195 | 157,908,565 |
| | **395,532,448** | **157,908,565** |
| Other facilities (revolving loan and post import financing) | | |
| The Hong Kong and Shanghai Banking Corporation Limited | 875,917,749 | 174,153,481 |
| Standard Chartered Bank | 650,000,000 | 400,000,000 |
| Citibank N.A. | 300,000,000 | 70,000,000 |
| Commercial Bank of Ceylon Limited | 300,000,000 | 100,000,000 |
| Trust Bank Limited | - | 823,963,996 |
| Bank Alfalah Ltd | 250,000,000 | - |
| | **2,375,917,749** | **1,568,117,477** |
| | **3,761,344,600** | **2,532,657,051** |

The interest and security details of these facilities are as follows:

| Sl. | Type of facility | Interest rate (%) | Nature of security |
|---|---|---|---|
| a. | Loan against trust receipts | 4 - 13.00 p.a. | * Promissory note and letter of continuation.<br>* Registered first charge over stocks and book debts on pari-passu basis. |
| b. | Other facilities (revolving loan and post import financing) | | |
| c. | UPAS loan (FC Loan) | | |

| | Amounts in Taka | |
|---|---|---|
| | For the year ended 31 December | |
| | **2014** | **2013** |
| **20 Bank overdraft** | | |
| Hongkong & Shanghai Banking Corporation Ltd- CD | 34,953,378 | - |
| Trust Bank Limited-CD | 9,067,997 | - |
| CITI Bank N.A. | 27,301,341 | - |
| Bank Alfalah-0702-01701493-CD | 90,423,748 | - |
| | **161,746,464** | **-** |
| **20 A Bank overdraft** | | |
| Trust Bank Limited-CD | 9,067,997 | - |
| CITI Bank N.A. | 27,301,341 | - |
| Bank Alfalah-0702-01701493-CD | 90,423,748 | - |
| | **126,793,086** | **-** |
| **21 Consolidated trade and other payables** | | |
| Accounts payable | 211,605,767 | 172,229,299 |
| Exxon Mobil Asia Pacific Pte. Limited-blending fees Payable | 96,150,373 | 83,851,936 |
| | **307,756,140** | **256,081,235** |
| **21A Trade creditors** | | |
| Accounts payable | 133,331,178 | 145,068,661 |
| Exxon Mobil Asia Pacific Pte. Limited-blending fees payable | 96,150,373 | 83,851,936 |
| | **229,481,551** | **228,920,597** |

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **22** | **Consolidated provision for income tax** | | |
| | Balance as at 01 January | 981,611,795 | 793,857,661 |
| | Provision during the year | 323,588,449 | 187,754,134 |
| | | 1,305,200,244 | 981,611,795 |
| | Less: Payment/Adjustment during the period/year | 22,202,184 | - |
| | | **1,282,998,060** | **981,611,795** |
| **22A** | **Provision for income tax** | | |
| | Opening Balance | 974,469,132 | 793,857,662 |
| | Add: Provision for the year | 323,429,182 | 180,611,470 |
| | | 1,297,898,314 | 974,469,132 |
| | Adjustment during the year | 18,110,159 | - |
| | | **1,279,788,155** | **974,469,132** |
| **23** | **Consolidated other liabilities** | | |
| | Tax payable-deduction from suppliers | 21,840,452 | 20,176,252 |
| | VAT payable-deduction from suppliers | 7,191,069 | 14,407,426 |
| | VAT payable-deduction from Directors | - | 57,000 |
| | Advance against sale | 56,555,353 | 35,554,794 |
| | Others Payable | 85,324,116 | 74,368 |
| | Accrued Interest on LATR & STL & OD | 89,731,683 | 23,792,234 |
| | Salary Payable | 2,788,560 | 46,795,322 |
| | Accruals of operating expenses | 62,836,827 | 65,796,751 |
| | Accrued Contract Labor | 8,474,458 | 1,045,228 |
| | | **334,742,518** | **207,699,375** |
| **23A** | **Other liabilities** | | |
| | Tax payable-deduction from suppliers | 14,020,687 | 11,017,073 |
| | VAT payable-deduction from suppliers | 1,063,727 | 288,618 |
| | VAT payable-deduction from directors | - | 57,000 |
| | Advance against sale | 56,555,353 | 35,554,794 |
| | Gratuity payable | 462,551 | - |
| | WPPF Payable | 81,527,900 | |
| | Accrued interest on LTR , STL & OD | 25,190,152 | 22,586,324 |
| | Salary Payable | 2,788,560 | 46,795,322 |
| | Accruals of operating expenses | 62,836,827 | 65,553,957 |
| | Accrued contract labour | 8,474,458 | 1,045,228 |
| | | **252,920,215** | **182,898,316** |

| | | For the year ended 31 December | | | | |
|---|---|---|---|---|---|---|
| | | 2014 | | | | 2013 |
| | | Oil Tanker | Manufacturing Unit | Trading Unit | Total | Total |
| | | Taka | Taka | Taka | Taka | Taka |
| 24 | **Consolidated revenue** | | | | | |
| | **Lubricants** | | | | | |
| | Locally blended lubricants | - | 3,432,430,640 | - | 3,432,430,640 | 3,057,735,770 |
| | Imported Lubricants local Sales | - | - | 3,622,331,138 | 3,622,331,138 | 3,292,510,811 |
| | Export Sales of Lubricants | - | 47,689,519 | 11,755,957 | 59,445,476 | 74,561,486 |
| | **Oil Tanker** | | | | | |
| | Voyage Freight Earning | 1,084,339,175 | - | - | 1,084,339,175 | 728,243,160 |
| | Demurrage Earning | 44,125,040 | - | - | 44,125,040 | 34,970,118 |
| | **Service revenue** | - | - | - | 51,199,478 | 13,655,270 |
| | | **1,128,464,215** | **3,480,120,159** | **3,634,087,095** | **8,293,870,947** | **7,201,676,615** |
| 24A | **Net Revenue** | | | | | |
| | Revenue | 1,128,464,215 | 3,995,326,192 | 4,175,219,986 | 9,299,010,393 | 8,126,992,918 |
| | Less: VAT | - | 515,206,033 | 541,132,891 | 1,056,338,924 | 938,971,574 |
| | | **1,128,464,215** | **3,480,120,159** | **3,634,087,095** | **8,242,671,469** | **7,188,021,344** |
| | **Lubricants (Excluding VAT)** | | | | | |
| | Locally blended lubricants local sales | - | 3,432,430,640 | - | 3,432,430,640 | 3,057,735,770 |
| | Imported lubricants local sales | - | - | 3,622,331,138 | 3,622,331,138 | 3,292,510,811 |
| | Export sales of lubricants | - | 47,689,519 | 11,755,957 | 59,445,476 | 74,561,486 |
| | **Oil tanker** | | | | | |
| | Voyage freight earning | 1,084,339,175 | - | - | 1,084,339,175 | 728,243,160 |
| | Demurrage earning | 44,125,040 | - | - | 44,125,040 | 34,970,117 |
| | | **1,128,464,215** | **3,480,120,159** | **3,634,087,095** | **8,242,671,469** | **7,188,021,344** |
| 25 | **Cost of revenue** | | | | | |
| | **Oil Tanker unit:** | | | | | |
| | Opening stock of bunker & other oil | | | | 69,754,317 | 62,052,747 |
| | Add: Purchase | | | | 381,738,859 | 446,403,486 |
| | | | | | 451,493,176 | 508,456,233 |
| | Less: Closing stock | | | | 39,655,808 | 69,754,317 |
| | | | | | 411,837,368 | 438,701,916 |
| | Add: Other direct expenditure- | | | | | |
| | Port expenditure | | | | 49,303,582 | 28,844,342 |
| | Ship running expenditure | | | | 118,215,114 | 101,171,702 |
| | Technical operational expenditure | | | | 5,564,700 | 5,564,700 |
| | Salary of crew | | | | 58,050,688 | 71,607,681 |
| | Depreciation | | | | 91,500,012 | 91,435,936 |
| | | | | | 322,634,096 | 298,624,361 |
| | | | | | **734,471,464** | **737,326,277** |
| | **Manufacturing unit:** | | | | | |
| | Opening stock of raw material | | | | 534,697,427 | 849,910,699 |
| | Add: Purchase | | | | 1,621,400,986 | 1,470,081,665 |
| | | | | | 2,156,098,413 | 2,319,992,365 |
| | Less: Closing stock | | | | 243,680,130 | 534,697,427 |
| | Raw material used in production | | | | 1,912,418,283 | 1,785,294,937 |
| | Overhead and operating expenses | | | (Note: 24.1) | 465,727,560 | 417,647,062 |
| | | | | | 2,378,145,843 | 2,202,942,000 |
| | Add: Opening stock of work-in-progress | | | | 14,550,695 | 27,079,736 |
| | | | | | 2,392,696,538 | 2,230,021,736 |
| | Less: Closing stock of work-in-progress | | | | 13,674,571 | 14,550,695 |
| | Cost of goods manufactured | | | | 2,379,021,967 | 2,215,471,041 |
| | Add: Opening stock of finished goods | | | | 202,430,300 | 188,653,295 |
| | Locally blended lubes available for sale | | | | 2,581,452,267 | 2,404,124,336 |
| | Less: Closing stock of finished goods | | | | 191,091,217 | 202,430,300 |
| | | | | | **2,390,361,050** | **2,201,694,036** |
| | **Trading unit:** | | | | | |
| | Opening stock | | | | 662,072,623 | 439,692,584 |
| | Add: purchase | | | | 3,166,259,413 | 2,988,004,000 |
| | | | | | 3,828,332,036 | 3,427,696,585 |
| | Less: closing stock | | | | 839,871,634 | 662,072,623 |
| | Consumption | | | | **2,988,460,402** | **2,765,623,962** |
| | | | | | **6,113,292,916** | **5,704,644,275** |

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **25.1** | **Overhead and operating expenses** | | |
| | The following figures are directly connected to production. | | |
| | Packaging materials | 240,481,059 | 216,062,637 |
| | Blending fees | 105,563,054 | 92,500,629 |
| | Depreciation | 34,680,354 | 31,039,345 |
| | Factory expenses | 21,312,300 | 17,656,488 |
| | Employee compensation | 31,531,567 | 26,481,555 |
| | Gratuity expenses | 1,082,887 | 730,936 |
| | PF employer's contribution | 1,060,005 | 947,050 |
| | Travelling expenses | 779,043 | 598,390 |
| | Employee meal subsidy | 1,038,318 | 1,332,750 |
| | Daily refreshments | 595,272 | 452,888 |
| | Utilities | 3,841,368 | 4,630,723 |
| | Postage | 156,803 | 153,927 |
| | Printing and stationery | 280,305 | 2,710,728 |
| | Maintenance and repairing expenses | 7,860,854 | 6,721,319 |
| | Govt fees & charges | 1,793,389 | 76,032 |
| | Jetty usage charges | 739,307 | 720,000 |
| | Contract labour | 10,664,289 | 11,198,060 |
| | Insurance expenses | 2,267,387 | 3,624,893 |
| | Periodical and magazine | - | 8,712 |
| | | **465,727,560** | **417,647,062** |

| | | For the year ended 31 December | | | |
|---|---|---|---|---|---|
| | | 2014 | | | 2013 |
| | | Manufacturing Unit | Trading unit | Total | Total |
| | | Taka | Taka | Taka | Taka |
| **26** | **Consolidated other income** | | | | |
| | Financial income (Note 26.A1) | | | 276,536,259 | 237,604,018 |
| | Other business income (Note 26.A2) | | | 6,909,701 | 14,672,182 |
| | | | | **283,445,960** | **252,276,200** |
| **26.1** | **Consolidated financial income** | | | | |
| | Interest on deposit | | | 186,785,778 | 227,069,676 |
| | Foreign exchange gain | | | 87,032,481 | 7,108,279 |
| | Dividend income | | | 1,260,555 | 582,530 |
| | Investment income- Zero Coupon Bond | | | 1,457,446 | 2,843,533 |
| | | | | **276,536,259** | **237,604,018** |
| **26.2** | **Consolidated other business income** | | | | |
| | Gain on sale of non-current assets | | | 401,184 | 2,072,989 |
| | Sale of drums | | | 1,686,252 | 1,343,000 |
| | Delivery charges | | | | 1,843,659 |
| | Testing fee | | | 1,582,804 | 2,074,504 |
| | Other income | | | | 169,000 |
| | Sale of Slop Oil | | | 2,975,543 | 7,169,030 |
| | Other business income | | | 263,918 | 14,672,182 |
| | | | | **6,909,701** | **29,344,364** |
| **26A** | **Other income** | | | | |
| | Financial income (Note : 25.1) | 76,955,202 | 80,359,842 | 157,315,044 | 214,293,770 |
| | Other business income (Note : 25.2) | 3,250,977 | 3,394,806 | 6,645,783 | 14,295,326 |
| | | **80,206,179** | **83,754,648** | **163,960,827** | **228,589,096** |
| **26.A1** | **Financial income** | | | | |
| | Interest on deposits | 77,441,946 | 80,868,120 | 158,310,066 | 176,296,530 |
| | Foreign exchange (loss)/gain | (1,816,333) | (1,896,690) | (3,713,023) | 34,571,177 |
| | Dividend income | 616,637 | 643,918 | 1,260,555 | 582,530 |
| | Investment income- zero coupon bond | 712,952 | 744,494 | 1,457,446 | 2,843,533 |
| | | **76,955,202** | **80,359,842** | **157,315,044** | **214,293,770** |
| **26.A2** | **Other business income** | | | | |
| | Gain/loss on sale of assets | 196,251 | 204,933 | 401,184 | 2,072,989 |
| | Sale of drums | 824,879 | 861,373 | 1,686,252 | 1,343,000 |
| | Delivery charges | - | - | - | 1,843,659 |
| | Testing fee | 774,274 | 808,530 | 1,582,804 | 1,866,648 |
| | Sale of slop oil | 1,455,573 | 1,519,970 | 2,975,543 | 7,169,030 |
| | | **3,250,977** | **3,394,806** | **6,645,783** | **14,295,326** |

| | | For the year ended 31 December | | | | |
|---|---|---|---|---|---|---|
| | | 2014 | | | | 2013 |
| | | Oil Tanker | Manufacturing Unit | Trading unit | Total | Total |
| | | Taka | Taka | Taka | Taka | Taka |
| 27 | **Consolidated administrative and selling expenses** | | | | | |
| | Employee compensation | | | | 168,466,773 | 140,659,425 |
| | Gratuity expenses | | | | 4,445,972 | 3,291,702 |
| | Provident fund-Employer's contribution | | | | 4,613,615 | 4,017,768 |
| | Directors' fees | | | | 5,830,628 | 3,678,135 |
| | AGM related expenses | | | | 7,842,559 | 6,117,359 |
| | Oil Test and Other Services Charges | | | | 64,526 | - |
| | Dividend related expenses | | | | - | 93,812 |
| | Traveling expenses | | | | 24,208,304 | 18,090,360 |
| | Entertainment | | | | 5,025,316 | 3,080,131 |
| | Employee training and welfare | | | | 9,981,940 | 4,343,528 |
| | Transportation, storage and handling | | | | 44,245,202 | 48,244,886 |
| | Utilities | | | | 7,331,728 | 3,384,285 |
| | Telephone, cable and postage expenses | | | | 11,819,296 | 7,597,156 |
| | Market Research | | | | 135,148 | 175,815 |
| | Technical Service fee | | | | - | 1,830,484 |
| | Membership/Subscription fees | | | | 1,993,939 | 1,440,066 |
| | Govt Fees & Charges | | | | 10,610,534 | 4,644,102 |
| | Office supplies | | | | 6,908,780 | 13,227,501 |
| | Office Rent | | | | 52,162,293 | 24,750,907 |
| | Sales Incentive expense | | | | - | 2,185,248 |
| | Legal and professional fees | | | | 26,383,150 | 4,920,479 |
| | Audit fees and charges | | | | 931,651 | 602,005 |
| | Other contract services | | | | 25,673,330 | 17,907,706 |
| | Indirect Ship running expenses | | | | 45,442,313 | 45,195,206 |
| | Insurance expenses | | | | 46,053,424 | 42,731,080 |
| | Advertisement and publications | | | | 17,307,986 | 14,755,952 |
| | Sales promotion | | | | 110,681,591 | 82,835,951 |
| | Launching expenses | | | | 1,714,121 | 2,215,207 |
| | Land and city corporation tax | | | | 491,991 | 1,163,060 |
| | Depreciation | | | | 36,742,989 | 24,455,051 |
| | Amortization- Software | | | | 1,669,350 | 1,019,246 |
| | Miscellaneous expenses | | | | 27,700 | 114,978 |
| | | | | | **678,806,149** | **528,768,590** |

AMAR STOCK

| | | | | | Amounts in Taka | |
|---|---|---|---|---|---|---|
| | | | | | For the year ended 31 December | |
| | | | | | 2014 | 2013 |
| **27A** | **Administrative and selling expenses** | | | | | |
| | Employee compensation | 11,638,166 | 35,891,451 | 37,479,355 | 85,008,972 | 119,824,102 |
| | Gratuity expenses | 608,676 | 1,877,124 | 1,960,171 | 4,445,972 | 3,291,702 |
| | Provident fund - employer's contribution | 631,628 | 1,947,904 | 2,034,083 | 4,613,615 | 4,017,768 |
| | Directors' fees | 217,268 | 670,044 | 699,688 | 1,587,000 | 1,449,000 |
| | AGM related expenses | 1,073,687 | 3,311,190 | 3,457,683 | 7,842,559 | 6,172,339 |
| | Traveling expenses | 2,012,052 | 6,205,055 | 6,479,579 | 14,696,686 | 14,714,515 |
| | Entertainment | 299,922 | 924,941 | 965,862 | 2,190,725 | 2,635,033 |
| | Employee training and welfare | 850,293 | 2,622,256 | 2,738,269 | 6,210,818 | 4,033,639 |
| | Transportation, storage and handling | 5,296,010 | 16,332,598 | 17,055,182 | 38,683,790 | 46,790,080 |
| | Utilities | 654,560 | 2,018,627 | 2,107,935 | 4,781,122 | 2,682,520 |
| | Telephone, cable and postage expenses | 1,352,055 | 4,169,662 | 4,354,136 | 9,875,853 | 7,080,472 |
| | Membership/subscription fees | 149,391 | 460,713 | 481,096 | 1,091,200 | 1,440,066 |
| | Govt fees & charges | 86,106 | 265,548 | 277,296 | 628,950 | 552,805 |
| | Office supplies | 631,450 | 1,947,357 | 2,033,511 | 4,612,318 | 2,800,475 |
| | Office repairs and renovation | 1,157,213 | 3,568,779 | 3,726,669 | 8,452,661 | 7,438,535 |
| | Rent for Property | 2,821,812 | 8,702,310 | 9,087,317 | 20,611,439 | 17,257,576 |
| | Sales incentive expenses | - | 838,512 | 875,609 | 1,714,121 | 2,185,248 |
| | Legal and professional fees | 248,254 | 765,600 | 799,472 | 1,813,325 | 2,231,175 |
| | Audit fees and charges | 77,502 | 239,011 | 249,585 | 566,098 | 316,250 |
| | Other contract services | 3,087,540 | 9,521,800 | 9,943,062 | 22,552,401 | 17,607,461 |
| | Indirect ship running expenses | 45,442,313 | - | - | 45,442,313 | 45,195,206 |
| | Insurance expenses | 33,693,209 | 2,985,218 | 3,117,290 | 39,795,717 | 42,725,900 |
| | Advertisement and publications | - | 2,211,821 | 2,309,677 | 4,521,498 | 9,404,934 |
| | Sales promotion | - | 49,043,115 | 51,212,873 | 100,255,988 | 79,594,113 |
| | Land and city corporation tax | 67,356 | 207,722 | 216,912 | 491,991 | 1,163,060 |
| | Depreciation | - | 11,655,235 | 12,170,885 | 23,826,120 | 18,737,422 |
| | Amortization- software | - | 816,611 | 852,739 | 1,669,350 | 1,019,246 |
| | Miscellaneous expenses | - | - | - | - | - |
| | | **112,096,465** | **169,200,204** | **176,685,933** | **457,982,602** | **462,360,641** |

| | | | |
|---|---|---|---|
| **28** | **Consolidated financial charges** | | |
| | Interest on short term Loan | 182,065,957 | 204,331,566 |
| | Interest on FC loan | 19,224,861 | 30,982,807 |
| | Bank charges | 13,922,301 | 20,317,571 |
| | Loss/(Gain) on Investment | (2,853,744) | 7,747,238 |
| | | **212,359,375** | **263,379,182** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **28A** | **Financial charges** | | | | | |
| | Interest on short term Loan | - | 88,125,765 | 92,024,612 | 180,150,377 | 204,331,566 |
| | Interest on foreign currency loan | 13,661,850 | - | - | 13,661,850 | 30,982,807 |
| | Bank charges | 10,481,449 | 1,434,151 | 1,497,601 | 13,413,201 | 19,736,022 |
| | Loss/(gain) on investment | - | (1,187,064) | (1,239,582) | (2,426,646) | 7,747,238 |
| | | **24,143,299** | **88,372,852** | **92,282,631** | **204,798,782** | **262,797,631** |

| | | | |
|---|---|---|---|
| **29** | **Consolidated basic Earnings per share (EPS)** | | |
| | Net profit after tax (Numerator) | 1,050,085,192 | 699,675,039 |
| | Number of ordinary shares outstanding (Denominator) | 238,473,200 | 238,473,200.00 |
| | Earnings per share (EPS) | **4.40** | **2.93** |

| | | | |
|---|---|---|---|
| **29A** | **Earnings per share (EPS) - Basic** | | |
| | Net profit after tax (numerator) | 1,102,411,557 | 721,885,368 |
| | Number of ordinary shares outstanding (denominator) | 238,473,200 | 238,473,200 |
| | Earnings per share (EPS) | **4.62** | **3.03** |

| | | Amounts in Taka | |
|---|---|---|---|
| | | For the year ended 31 December | |
| | | 2014 | 2013 |
| **30** | **Consolidated Net Asset Value (NAV)** | | |
| | Net assets (total assets-liabilities) | 8,572,676,719 | 7,780,349,426 |
| | Number of ordinary shares outstanding (Denominator) | 238,473,200 | 238,473,200 |
| | Net asset value (NAV) per share | **35.95** | **32.63** |
| **30A** | **Net asset value (NAV)** | | |
| | Net assets (Total assets- liabilities) | 7,844,323,423 | 7,338,094,866 |
| | Number of ordinary shares outstanding (denominator) | 238,473,200 | 238,473,200 |
| | Net asset value (NAV) per share | **32.89** | **30.77** |
| **31** | **Consolidated Net Operating Cash Flow Per Share (NOCFPS)** | | |
| | Net operating cash flows | 407,226,182 | 760,906,077 |
| | Number of ordinary shares outstanding (Denominator) | 238,473,200 | 238,473,200 |
| | Net operating cash flows per share | **1.71** | **3.19** |
| **31A** | **Net operating cash flow per share (NOCFPS)** | | |
| | Net operating cash flows | 1,052,028,495 | 866,463,613 |
| | Number of ordinary shares outstanding (denominator) | 238,473,200 | 238,473,200 |
| | Net operating cash flows per share | **4.41** | **3.63** |

AMAR STOCK

## 32.0 Related party disclosures

### i) Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

| Name of the party | Nature of Transactions | Nature of Relationship | Transaction value (Taka) | (Receives) / Payments (Taka) | (Outstanding) / Receivable balance on 31.12.2013 (Taka) |
|---|---|---|---|---|---|
| EC Distribution Ltd. | Additive purchase | Group company | 155,180,079 | 150,442,093 | (13,779,610) |
| East Coast Trading (Pvt) Ltd. | Additive purchase | Group company | 443,578,614 | 421,674,779 | (66,462,072) |
| Jamuna Oil Company Ltd. | Sale of finished products | Shareholder | 1,376,728,689 | (1,432,501,004) | (22,240,356) |
| | Diessel Purchase | Shareholder | 7,540,388 | 7,540,388 | - |
| Omera Fuels Ltd. | Payments borne by MJL Bangladesh Limited | Group company | 147,244,629 | (96,567,128) | 398,239,988 |
| Parkesine Products Ltd. | Supplying of Molds and Sub - Molds for Grease Plant | Shareholder | 78,469,395 | 76,611,911 | (4,247,597) |
| Omera Petroleum Limited | Payments borne by MJL Bangladesh Limited | Subsidiary Company | 720,025,620 | (487,433,820) | 235,000,076 |
| Omera Cylinders Limited | Payments borne by MJL Bangladesh Limited | Group company | 569,737,760 | (573,602,889) | 12,101,241 |

### ii) Particulars of directors of MJL Bangladesh Limited as at 31 December 2014:

| Name | BOD of MJL Bangladesh Limited | Entities where they have interests | Directorship/Sponsorship/Ownership with other companies |
|---|---|---|---|
| Md. Abubakar Siddique | Chairman | Jamuna Oil Company Ltd. | Titas Gas Transmission & Distribution Company Ltd.<br>Karnaphuli Fertilizer Co. Ltd.<br>Bangladesh Gas Fields Co. Ltd.<br>Bangladesh Petroleum Exploration & Production Co. Ltd.<br>Bangladesh Infrustructure Finance Fund Ltd. (BIFF) . Gas Transmission Co. Ltd.<br>Omera Fuels Limited (Nominee Director)<br>Omera Petroleum Limited (Nominee Director)<br>Omera Cylinders Limited (Nominee Director) |
| Mr. Azam J Chowdhury | Managing Director | EC Securities Ltd.<br>Prime Bank Ltd. | Prime Bank Limited. East Coast Shipping Lines Ltd.<br>East Coast Trading (Pvt.) Ltd.<br>EC Distribution Ltd.<br>Bangladesh Trade Syndicate Ltd.<br>The Consolidated Tea and Lands Company (Bangladesh) Ltd.<br>Baraoora (Sylhet) Tea Company Ltd.<br>Consolidated Tea and Plantation Ltd.<br>Nordic Woods Limited . Green Delta Life Insurance co. Ltd. Union Capital Ltd<br>EC Bulk Carriers Ltd.<br>Radiant Alliance Limited.<br>Clean Fuel Filling Station Ltd.<br>Omera Petroleum Limited (Nominee Director)<br>Omera Fuels Limited (Nominee Director)<br>Omera Cylinders Limited (Nominee Director)<br>MJL & AKT Petroleum Company Limited (Nominee Director) |
| Mr. Abdul Muyeed Chowdhury | Director | EC Securities Ltd. | Tiger Tours Limited<br>BRACNet Ltd.(Nominee Director)<br>Pioneer Insurance Company Limited (Independent Director)<br>ACI Ltd.(Independent Director)<br>Summit Alliance Port Limited (Independent Director)<br>Omera Fuels Limited (Nominee Director)<br>Omera Petroleum Limited (Nominee Director)<br>Omera Cylinders Limited (Nominee Director) |

| | | | |
|---|---|---|---|
| Mr. Md. Masudur Rahman | Director | Jamuna Oil Company Ltd. | Omera Fuels Limited (Nominee Director)<br>Omera Petroleum Limited (Nominee Director)<br>Omera Cylinders Limited (Nominee Director) |
| Mr. Md. Aminur Rahman | Director | EC Securities Ltd. | Omera Fuels Limited (Nominee Director)<br>Omera Petroleum Limited (Nominee Director)<br>Omera Cylinders Limited (Nominee Director) |
| Mr. Tanjil Chowdhury | Director | EC Securities Ltd. | Parkesine Products Limited<br>East Coast Trading (Pvt.) Ltd.<br>East Coast Shipping Lines Ltd.<br>EC Securities Ltd.<br>EC Distribution Limited<br>Bangladesh Trade Syndicate Ltd.<br>EC Bulk Carriers Ltd.<br>Radiant Alliance Limited<br>ASP Omera Crew Management Ltd.<br>Clean Fuel Filling Station Ltd.<br>Omera Fuels Limited (Nominee Director)<br>Omera Petroleum Limited (Nominee Director)<br>Omera Cylinders Limited (Nominee Director) |
| Prof. Dr. Mohammad Tamim | Independent Director | | Energypac Power Generation Limited (Independent Director).<br>Energypac Electronics Limited.<br>Omera Fuels limited. (Independent Director)<br>Omear Petroleum Limited.(Independent Director)<br>Omera Cyliders Limited.(Independent Director) |
| Mr. Q. M. Shariful Ala | Independent Director | | Delta Brac Housing Finance Corporation Ltd<br>Unicap Securities Limited<br>Omera Fuels Limited (Nominee Director)<br>Omera Petroleum Limited (Independent Director)<br>Omera Cylinders Limited (Independent Director) |

**33.0 Capital Expenditure Commitment**

As on 31 December 2014 MJL Bangladesh Limited has the following material commitments for capital expenditures:

| **Particulars** | **Figures are in Taka** |
|---|---|
| Corporate Office Head Office | 206,300,000 |

**34.0 Other Commitments and Contingencies**

34.1 Commitments

As on 31 December 2014 the company had commitments of BDT 502.67 million in respect of outstanding letter of credit and bill acceptance.

34.2 Contingencies

As on 31 December 2014 the company had contingencies of Tk. 26.90 million in respect of letter of bank guarantee.

## 35.0 Capacity Utilization

| | 2014 Kilo Barrel in "000" | 2013 Kilo Barrel in "000" |
|---|---|---|
| Total Production Capacity in Kilo Barrel (159 Ltr.= Barrel) | 150 | 150 |
| Capacity Utilised for the period | 55.33% | 51.00% |

Note: Licensed Capacity is not applicable for the Company

## 36.0 Disclosure on Managerial Remuneration:

| Particulars | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | Managing Director | Other Managers | Total | Managing Director | Other Managers | Total |
| Basic Salary | 3,840,000 | 33,444,456 | **37,284,456** | 3,840,000 | 29,863,440 | **33,703,440** |
| House Rent | 480,000 | 10,330,116 | **10,810,116** | 480,000 | 7,064,760 | **7,544,760** |
| Conveyance | 240,000 | 3,777,062 | **4,017,062** | 240,000 | 3,888,700 | **4,128,700** |
| Medical | 720,000 | 5,042,562 | **5,762,562** | 720,000 | 5,823,900 | **6,543,900** |
| Bonus/Incentives | 3,840,000 | 27,489,100 | **31,329,100** | 3,840,000 | 27,780,100 | **31,620,100** |
| Other Allowances | 720,000 | 3,251,927 | **3,971,927** | 720,000 | 3,131,600 | **3,851,600** |
| **Total salaries and allowances** | **9,840,000** | **83,335,223** | **93,175,223** | **9,840,000** | **77,552,500** | **87,392,500** |

## 37.0 Blending Fees in Foreign Currency

| Particulars | 2014 | | | 2013 | | |
|---|---|---|---|---|---|---|
| | BDT | USD $ | Beneficiary | BDT | USD $ | Beneficiary |
| Blending Fee | 105,563,054 | $ 1,337,257 | Exxon Mobil Asia Pacific Pte. Limited, Singapore | 92,500,629 | $ 1,182,268 | Exxon Mobil Asia Pacific Pte. Limited, Singapore |

## 38.0 Gross Profit Ratio

| | 2014 Taka | 2013 Taka |
|---|---|---|
| Sales (Denominator) | 8,242,671,469 | 7,188,021,344 |
| Gross profit (Numerator) | 2,129,378,553 | 1,483,377,069 |
| Gross Profit Ratio | **25.83%** | **20.64%** |

## 39.0 Net Profit Ratio

| | | |
|---|---|---|
| Sales (Denominator) | 8,242,671,469 | 7,188,021,344 |
| Net profit after tax (Numerator) | 1,102,411,557 | 721,885,368 |
| Net Profit Ratio | **13.37%** | **10.04%** |

**40 Name of the auditors of the group companies**

| Name of the Company | Relationship | Auditors |
|---|---|---|
| Omera Cylinder Limited | Subsidiary | SF Ahmed & Co. |
| Omera Petroleum Limited | Subsidiary | SF Ahmed & Co. |
| MJL & AKT Petroleum Company Limited | Subsidiary | Nu Nu Win |

**41 Consolidated financial risk management**

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analyze the risks faced by the company, to set appropriate risks limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of financial instruments.

i. 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 is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities of the Company:

**Amounts in Taka**

| Financial liabilities | As at 31 December 2014 | | |
|---|---|---|---|
| | Carrying amount | Within 12 months or less | Above 12 months |
| Trade and other payables | 608,717,269 | 608,717,269 | - |
| Term loan | 6,298,094,246 | 4,732,818,738 | 1,565,275,508 |

**ii. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**a. Currency risk**

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The company experiences currency risks on export sales and purchase of raw material, spare parts, accessories and capital items. Most of company's foreign currency purchases are denominated in **US$.**

The company's exposures to foreign currency risk was as follows based on notional amounts.

| | Amount in US$ | |
|---|---|---|
| **Foreign currency denominated assets** | | **As at 31 December 2014** |
| Receivables from customers-Export | $ | 83,793.56 |
| Vessel Stocks | $ | 508,733.91 |
| Cash at bank | $ | 136,347.78 |

| Foreign currency denominated liabilities | | As at 31 December 2014 |
|---|---|---|
| Trade payables for Royalty and technical fees | $ | 1,218,018.40 |
| Term loan | $ | 11,490,860.00 |

The foreign exchange gain of the company is Taka 7,108,279 for the year ended 31 December 2013

The company has applied the following significant foreign exchange rates:

| | Exchange rate as at 31 Dec. 2014 |
|---|---|
| 1 US Dollar equivalent to BDT | 77.95 |
| 2 Myanmar Kyats equivalent to BDT | 0.0756 |

**b. Interest risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date, the financial assets and financial liabilities are as follows:

| | Amounts in Taka |
|---|---|
| **Financial instruments** | **As at 31 December 2014** |
| **Financial assets** | |
| Investment in Bonds and Shares | 75,538,592.00 |
| Investment in FDR | 1,916,749,096 |
| Cast at bank | 308,034,902 |
| | **2,300,322,590** |
| **Financial liabilities** | |
| Bank overdraft | 161,746,464 |
| Term loan | 6,298,094,246 |
| | **6,459,840,710** |

**iii. Credit risk:**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The company has a written credit policies with terms and conditions allowed to debtors and the exposure to credit risk is monitored on an ongoing basis to ensure collection within stipulated time. Debtors are categorized according to their risk profile-i.e. frequency of payment, legal status, financial condition etc. Trade and other debtors consist of domestic receivable, export receivable, inland export debtors and interest receivable.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position

**The maximum exposure to credit risk at the reporting date was as follows:**

| | Amounts in Taka |
|---|---|
| | **31st December 2014** |
| **Trade receivables** | |
| Local receivables | 196,014,275 |
| Export receivables | 6,544,277 |
| | **202,558,551** |
| **Other receivables** | |
| Accrued interest | 49,201,692 |
| Other receivables | 168,090,789 |
| Bank guarantee margin | 28,406,677 |
| Inter-company receivable | 398,243,399 |
| | **643,942,557** |

**Annexure-A1**

**Property, plant and equipment**

Amount presented in Taka

| Name of assets | Cost | | | | | Depreciation | | | | | Written Down Value as at 31 December 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 01 January 2014 | Inter group transfer/adjustment | Addition during the period | Adjustment/disposal during the period | Balance as at 31 December 2014 | Balance as at 01 January 2014 | Inter group transfer/adjustment | Charged during the period | Adjustment/disposal during the | Balance as at 31 December 2014 | |
| **Manufacturing and Trading unit** | | | | | | | | | | | |
| Land | 2,587,285,603 | - | - | - | 2,587,285,603 | - | - | - | - | - | 2,587,285,603 |
| Building | 334,847,426 | - | 150,000 | - | 334,997,426 | 96,044,593 | - | 21,109,621 | - | 117,154,214 | 217,843,212 |
| Office Equipment | 23,486,281 | - | 825,189 | (40,150) | 24,271,320 | 9,690,857 | - | 3,503,925 | (14,744) | 13,180,039 | 11,091,282 |
| IT Equipment | 17,636,060 | - | 8,306,662 | - | 25,942,722 | 7,815,704 | - | 4,142,948 | - | 11,958,652 | 13,984,070 |
| Machinery | 621,242,003 | - | 16,642,262 | - | 637,884,264 | 204,607,890 | - | 36,113,159 | - | 240,721,050 | 397,163,215 |
| Motor Vehicle | 59,834,121 | - | 3,333,797 | (1,720,000) | 61,447,918 | 26,285,991 | - | 10,141,104 | (1,719,999) | 34,707,096 | 26,740,821 |
| Furniture | 42,481,605 | - | 13,865,822 | (108,996) | 56,238,432 | 11,424,141 | - | 4,205,477 | (35,587) | 15,594,031 | 40,644,400 |
| **Shipping Unit** | | | | | | | | | | | |
| M. T. Omera Queen | 1,725,178,249 | - | | | 1,725,178,249 | 251,625,033 | - | 91,500,012 | - | 343,125,045 | 1,382,053,204 |
| **Total as at 31 December 2014** | **5,411,991,349** | **-** | **43,123,732** | **(1,869,146)** | **5,453,245,935** | **607,494,209** | **-** | **170,716,247** | **(1,770,329)** | **776,440,126** | **4,676,805,808** |
| **Total as at 31 December 2013** | **4,944,229,448** | **-** | **484,076,660** | **(16,314,759)** | **5,411,991,349** | **454,167,122** | **-** | **157,021,371** | **(3,694,281)** | **607,494,211** | **4,804,497,138** |

**Consolidated property, plant and equipment**

**Annexure-A**

**(Considering Foreign Exchange Rate)**

| Name of assets | Cost | | | | | Depreciation | | | | | Written Down Value as at 31 December 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 01 January 2014 | Inter Group Transfer/ Adjustment | Addition during the period | Adjustment/ Disposal during the period | Balance as at 31 December 2014 | Balance as at 01 January 2014 | Inter Group Transfer/ Adjustment | Charged during the period | Adjustment/ (Disposal) during the | Balance as at 31 December 2014 | |
| **Manufacturing and Trading unit** | | | | | | | | | | | |
| Land | 2,848,170,070 | - | 222,648,242 | - | 3,070,818,312 | - | - | - | - | - | 3,070,818,312 |
| Land-Leasehold | 5,756,230 | - | - | - | 5,756,230 | 643,816 | - | 321,908 | - | 965,724 | 4,790,506 |
| Land Development | 1,486,089 | - | - | - | 1,486,089 | 167,184 | - | 74,304 | - | 241,488 | 1,244,601 |
| Building | 339,148,501 | - | 163,604 | - | 339,312,105 | 96,729,998 | - | 22,204,661 | - | 118,934,659 | 220,301,135 |
| Office Equipment | 25,209,086 | - | 26,378,593 | (86,191) | 51,501,489 | 9,916,377 | - | 6,291,695 | (14,744) | 16,193,329 | 34,820,858 |
| IT Equipment | 19,898,499 | - | 12,429,521 | - | 32,328,020 | 8,672,012 | - | 6,352,260 | (21,802) | 15,002,471 | 17,771,985 |
| Plant and Machinery | 622,373,381 | - | 18,275,927 | - | 640,649,308 | 204,806,039 | - | 36,389,663 | - | 241,195,703 | 399,453,605 |
| Motor Vehicle | 85,356,179 | - | 12,413,464 | (1,720,000) | 96,049,643 | 31,359,839 | - | 15,810,754 | (1,719,999) | 45,450,594 | 50,159,417 |
| Furniture | 45,645,481 | - | 15,761,832 | (108,996) | 61,298,317 | 11,723,906 | - | 4,687,858 | (35,587) | 16,376,177 | 44,873,019 |
| **Shipping Unit** | | | | | | | | | | | |
| M. T. Omera Queen | 1,725,178,249 | - | - | - | 1,725,178,249 | 251,625,033 | - | 91,500,012 | - | 343,125,045 | 1,382,053,204 |
| **Total as on 31 December 2014** | **5,718,221,766** | **-** | **308,071,182** | **(1,915,187)** | **6,024,377,762** | **615,644,205** | **-** | **183,633,115** | **(1,792,132)** | **797,485,189** | **5,226,286,642** |

**Annexure-B**

## MJL Bangladesh Limited

**Schedule of Intangible Assets**
**As at 31 December 2014**

**Amounts in taka.**

| Name of assets | Cost | | | | Depreciation | | | | Written down value as at 31 December 2014 |
|---|---|---|---|---|---|---|---|---|---|
| | Balance as at 1 January 2014 | Addition during the year | Adjustment/ (Disposal) during the year | Balance as at 31 December 2014 | Balance as at 1 January 2014 | Charged during the year | Adjustment/ (Disposal) during the year | Balance as at 31 December 2014 | |
| **Intangible Assets** | | | | | | | | | |
| Software | 9,679,492 | 1,369,301 | - | 11,048,793 | 2,274,083 | 1,669,350 | - | 3,943,433 | 7,105,360 |
| **Total as at 31 December 2014** | **9,679,492** | **1,369,301** | **-** | **11,048,793** | **2,274,083** | **1,669,350** | **-** | **3,943,433** | **7,105,360** |
| **Total as at 31 December 2013** | **4,157,977** | **5,521,515** | **-** | **9,679,492** | **1,254,837** | **1,019,246** | **-** | **2,274,083** | **7,405,409** |