

Grievance Redress System

Grievances and redressal measures have been facilitated to improve the quality of services provided by SGCL. A Grievance Redressal Officer and an Alternate Officer are appointed in the company to resolve complaints received online and offline in written and through various channels as per Grievance Redress System or GRS (Grievance Redress System) Guidelines-2015. The total number of complaints received in SGCL for the financial year 2023-2024 is 02 which have been settled within due time. As a result, the complaint settlement rate for the financial year 2023-2024 is 100%. Also, it has been possible to achieve 100% of the set targets of all activities included in the Grievance Redressal Management Action Plan of SGCL for the financial year 2023-24. The Grievance Redressal System (GRS) service box is regularly updated in the information portal of the company.

Innovation

Adoption and implementation of annual e-governance and innovation action plan is very important to meet the challenges of 4th industrial revolution including increasing the skills of government employees, consolidating good governance, simplifying the service delivery process of offices and bringing qualitative changes in the internal process of work. In this regard, the e-governance and innovation action plan is properly implemented by the company according to the guidelines prepared by the cabinet department for the field level office every year. In continuation of this, 100% of the set targets of all activities included in the e-Governance and Innovation Action Plan for the financial year 2023-2024 have been achieved by SGCL. It is to be noted that an innovative concept titled "SGCL's Metered Customer Gas Consumption Online Monitoring" has been implemented in the current financial year under the e-governance and innovation action plan. Later on, SGCL was ranked 3rd among 13 companies of Petrobangla for implementing the innovative idea for the financial year 2023-2024 at the Innovation Showcase program organized by Petrobangla which is a big achievement for the company.

Right to Information

Right to Information is a legal right of citizens. With the aim of establishing institutional good governance by ensuring the transparency and accountability of the organization, various activities are being carried out regularly under the right to information action plan of the company. As per Section 10 of the Right to Information Act 2009, the names, designations, addresses, phone numbers and e-mail IDs of the Company's Officer-in-Charge, Alternate Officer-in-Charge and Appellate Authority have been published in SGCL's information portal. In the financial year 2023-2024, the 'Application for Obtaining Information' submitted by the individual class in the prescribed form has been disposed of in time. Awareness and outreach activities are ongoing by the company in workshops and stakeholder meetings to increase public awareness about RTI. The workshop program scheduled for the financial year 2023-2024 regarding Right to Information has been completed through the Company's Administration Division. With the support of all divisions/departments of the company, self-motivated information along with other information is being regularly updated in the company information portal. Annual reports are being published as self-motivated information and quarterly and annual reports of all the mentioned activities continue to be sent to Petrobangla along with evidence.

Social activities

There is a Corporate Social Responsibility (CSR) policy in Sundarban Gas Company Limited as part of its responsibility to perform social welfare. The management of the company has been considering social responsibility with much more importance since a long time. At present, various distressed and helpless families/persons/institutions are being provided assistance in the light of Sundarban Gas Company Limited's Corporate Social Responsibility (CSR) policy, 2019 by allocating funds under the company's revenue budget. SGCL is playing an important role to the social development by providing advertisement/financial aids to different social, cultural, professional and sports organization.



গণস্বাস্থ্য
সংরক্ষণ

Sundarban Gas Company Limited

Preserving Health, Security and Environmental Balance Security measures

Important establishments under SGCL namely DRS, RMS, leased warehouses of Bengal Textiles at Noapara, pipeyard at Afil Gate, Regional Distribution Office Bhola, rest house and head office at Khulna are being ensured security by outsourcing security staffs. CCTV cameras have been installed at the head office of the company, Regional Distribution Office Bhola, Kushtia 410 MW RMS, rented warehouses of Bengal Textile Mills at Noapara, pipeyard at Afil Gate and in the rest house of the company. Besides, fire extinguishers have been installed for emergency firefighting in various establishments of the company.

Environment development related activities

The operational and development activities of the company are being conducted in accordance with the rules and regulations related to environment and safety. An effort to increase environmental awareness among officers and employees is ongoing. No environmental or operational accidents occurred in the company in the financial year 2023-2024 due to adherence to the safe working policy where applicable. In case of implementation of development projects, environmental clearances are collected from the Department of Environment as per the applicability and the terms of the clearances are complied with. In order to maintain environmental balance, the Regional Distribution Office under the company continues to plant and care for different types of tree saplings. Besides, cultivation has been undertaken on the acquired fallow land of the company.



Wreath Laying on great Independence Day

National day celebration

21 February International Mother Language Day

On the occasion of Great Martyr's Day and International Mother Language Day 2024, the national flag was hoisted as per rules at the company's head office, Khulna and Regional Distribution Offices at sunrise and wreaths were placed at the central Shahid Minar of Shahid Hadis Park with due dignity and solemnity.

26 March The Great Independence Day

On the occasion of Independence Day 2024, the national flag was hoisted as per rules at the company's head office, Khulna and Regional Distribution Offices at sunrise. In association with the program of the district administration, wreaths were laid at the Gollamari memorial.

16 December The Great Victory Day

On the occasion of Victory Day 2023, the national flag was hoisted as per rules at the company's head office, Khulna and Regional Distribution Offices at sunrise. In association with the program of the district administration, wreaths were laid at the Gollamari memorial.

SGCL observes other national days with due dignity and solemnity as per government directives. All these programs are playing a special role in awakening patriotism among officers and staffs.

Welfare activities

Distinguished Shareholders,

At this stage, I am drawing your attention to the welfare activities undertaken for the officers and staffs of the company. Housing/Land Purchase/Flat Purchase Loan, Motorcycle Purchase Loan, Welfare Fund and Group Insurance facilities are available as part of the welfare activities of the officers and staffs of the company. In addition, a gratuity fund trust has been set up for retiring officers. As a result, it is evident that work ethic is increasing and responsibility, knowledge and performance of the officers and staffs are being accelerated.

Future challenges and ways to overcome them

Serial no	Future challenges	Ways to overcome
01.	According to the decision of the meeting held in the Ministry of Power, Energy and Mineral Resources on 10/10/2023, if gas supply is not ensured in Rupsha 800 MW CCPP as per demand from January 01, 2029, liquidated damages (LD) will be imposed on SGCL.	SGCL is not under the jurisdiction of determining the availability of gas at source as gas distribution companies supply gas as per gas allocation by Petrobangla and sufficient gas availability in transmission line of GTCL. Therefore, another supplementary agreement can be signed between North West Power Generation Company Limited (NWPGL) and Sundarban Gas Company Limited (SGCL) to avoid imposition of liquidated damages (LD) if it is not possible to supply gas as per the demand in Rupsha 800 MW CCPP or until the availability of gas at the source is confirmed from January 01, 2029.
02.	Appointment of consultant for the construction of head office building of SGCL.	According to the circular of the Finance Department dated July 04, 2024, the construction of new buildings under the operating budget of the company is suspended. When it starts, consultant will be appointed for the purpose of constructing the head office building by calling EOI.



Serial no	Future challenges	Ways to overcome
03.	Installation of pre-paid gas meters in the premises of all categories of customers of the company with the aim of preventing wastage of gas and introducing modern billing system.	As SGCL currently has no system loss and illegal customers, existing non-metered residential customers are less, new gas connections are closed in residential category and installation of pre-paid meters is expensive at one time, a decision was taken by the Board of Directors of SGCL not to install separate pre-paid gas metering system considering the financial capability of the company. However, 01 (one) industrial customer has already been brought under the online gas consumption monitoring system for immediate monitoring of gas consumption of customers. Besides, the matter of bringing other large customers of the company under the gas consumption online monitoring system is under consideration.
04.	Utilization of 2 and 4 inch diameter linepipes procured through South Western Region Gas Distribution Network Project under SGCL.	As per the instructions of Petrobangla and Energy and Mineral Resources Division, SGCL is contacting by sending letters regularly for the transfer of 2 and 4 inch diameter linepipes allocated in favor of various companies.
05.	Supply of 5 MMCFD in the initial stage and 20 MMCFD gas in the later stage from Bhola to the customer industries in the area under the jurisdiction of Titas Gas by constructing all types of infrastructure including gas compression/transportation.	(a) According to the agreement signed on May 21, 2023, Intraco can supplied an average of 0.31 MMCFD and a maximum of 1.57 MMCFD gas from Bhola through 27 cascade cylinder/tube trucks/trailers in the last 273 days as per the described method against 5 MMCFD in the initial phase. In that context, instructions to Intraco to take 5 mmcfD supply from Bhola may be continued. (b) Regarding the supply of 20 MMCFD gas in the next phase, Intraco has completed land development work after purchasing land at Char Gazipur Mauza of Borhanuddin Upazila instead of Kachia Mauza of the same upazila and also completed the foundation work of compressors along with the boundary wall. Work order has already been issued to purchase the required number of compressors. However, due to LC complications at present, it may take up to June 2025 to commission the station by bringing the compressors to the site, according to a letter issued by Intraco. In this context, 20 MMCFD gas supply operations will be conducted from Bhola as per the terms of the agreement signed between SGCL and Intraco.
06	Liquidity crisis arising from the increase in arrears of gas bills to power consumers	Initiatives have been taken to collect arrears from through regular meetings and sending letters by Petrobangla and Energy and Mineral Resources Division which if continued, it will be possible to eliminate the liquidity crisis of the company through the collection of arrears.

Distinguished Shareholders,

On behalf of the Board of Directors, I would like to express my sincere gratitude to the Energy and Mineral Resources Division, Finance Division, Planning Commission, Bangladesh Energy Regulatory Commission, Implementation Monitoring and Evaluation Division, Petrobangla and all its subordinate companies and development partners for their assistance in overall planning and management of Sundarban Gas Company Limited. Besides, I would like to thank the officers and employees of SGCL at all levels for playing a role in the overall development of the company.



Reception of SGCL Board Chairman

Distinguished Shareholders,

I once again express my heartfelt thanks and gratitude to all present for attending the 15th Annual General Meeting of Sundarban Gas Company Limited and for patiently listening to the report of the Board of Directors on the overall activities of the Company for the financial year 2023-2024. At this stage, I am presenting the audited accounts of the company for the financial year 2023-2024 along with the audit report and the report of the board of directors to the honorable shareholders for their consideration and approval.

Finally, I wish Sundarban Gas Company Limited prosperity and success. May Almighty Allah help us.



(Md. Amin Ul Ahsan)
Chairman
SGCL Board of Directors



of

Sundarban Gas Company Limited

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Sundarban Gas Company Limited (the Company), which comprise the statement of financial position as at 30 June 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the statement of financial position as at 30 June 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the Financial Statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the preparation of the other information. The other information comprises the information included in management analysis, Company performance report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.



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

The management of **Sundarban Gas Company Limited** (the Company) is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards (IFRSs), The Companies Act, 1994 (amendment 2020) and other application Laws and Regulation and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparation the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required



Sundarban Gas Company Limited

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 (amendment 2020) and other applicable laws and regulations, we also report the following:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- (c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Place: Dhaka
Dated: 30 October 2024

Md. Farhad Husain Suman FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants
Enrolment No. - 1635
DVC: 2411071635AS522075





Sundarban Gas Company Limited

Sundarban Gas Company Limited

Statement of Financial Position

As at 30 June 2024

ASSETS	<u>Notes</u>	<u>2023-2024</u> <u>Taka</u>	<u>2022-2023</u> <u>Taka</u>
Non-Current Assets			
Property, Plant and Equipment	5	533,513,242	550,681,345
Capital Work-in-Progress		60,482,657	4,734,531
Investments in FDR	6	1,887,529,772	2,974,790,326
Loans and Advances to Employees	7	117,505,190	112,985,628
		2,599,030,861	3,643,191,830
Current Assets			
Inventories	8	19,341,479	20,342,918
Trade Receivable	9	14,700,817,247	6,023,700,046
Other Receivable	10	526,980,772	339,741,509
Advance, Deposit and Pre-payments	11	1,649,805,313	1,347,270,676
Cash and Cash Equivalent	12	848,721,728	802,776,936
Non-Current Assets Held for Sale	13	1,897,237,350	2,352,204,868
		19,642,903,889	10,886,036,953
Total Assets		22,241,934,750	14,529,228,783
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share Capital	14	1,000,000,000	1,000,000,000
Equity Investment by Government	15	48	48
Depreciation Fund		288,157,146	247,691,312
Retained Earnings	16	2,478,005,749	1,785,460,964
		3,766,162,943	3,033,152,324
Long-Term Borrowings			
Unsecured Loan-Local Sources	17	1,006,003,788	1,043,027,391
Unsecured Loans- Foreign Sources	18	2,589,526,925	2,083,562,272
		3,595,530,713	3,126,589,663
Other Long-Term Liabilities			
Provision for Interest on Project Loan (Long Term)	19	1,598,514,682	1,439,362,475
Customers' Security Deposit	20	273,279,368	147,699,543
Deferred Tax Liability	21	59,986	193,469
		1,871,854,036	1,587,255,487
Current Liabilities			
Trade and Other Payable	22	10,821,848,705	4,871,664,299
Group Current Accounts	23	43,607,800	41,088,689
Beneficiary Profit Participation Fund (BPPF) and BPPWF Payable	24	85,467,891	70,568,658
Creditor and Accruals	25	104,116,369	44,726,596
Provision for Interest on Project Loan (Current Portion)	26	131,270,987	159,152,207
Deposit from Natun Biddut	27	86,251,712	145,166,311
Provision for Income Tax	28	1,735,823,594	1,449,864,549
		13,008,387,058	6,782,231,308
Total Liabilities		18,475,771,807	11,496,076,459
TOTAL EQUITY AND LIABILITIES		22,241,934,750	14,529,228,783

The annexed notes form an integral part of these Financial Statements.
(For and on behalf of the Board of Directors of Sundarban Gas Company Limited.)


Shah Alam Molla
Company Secretary


Md. Nazmul Hasan
General Manager (Finance)


Uttam Kumar Sarkar
Managing Director


Md. Oliur Rahman
Director

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 30 October 2024




Md. Farhad Husain Suman FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants
Enrolment No. - 1635
DVC: 2411071635AS522075



Sundarban Gas Company Limited

Sundarban Gas Company Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	<u>Notes</u>	<u>2023-2024</u> <u>Taka</u>	<u>2022-2023</u> <u>Taka</u>
Revenue	29	14,857,621,583	9,060,592,269
Less: Cost of sales	30	(12,641,757,101)	(7,863,390,776)
Gross Profit		2,215,864,482	1,197,201,493
Less: Operating Expenses			
General Administrative Expenses	31	(293,007,011)	(234,150,883)
Gross Operating Profit for the Year		1,922,857,471	963,050,610
Less: Financial Expense	32	(932,644,580)	(186,886,426)
Operating Profit for the Year		990,212,891	776,164,184
Financial income	33	204,145,102	229,188,557
Other Non-Operating Income	34	9,680,092	1,373,286
		213,825,194	230,561,843
Profit Before BPPF and BPPWF		1,204,038,085	1,006,726,027
Less: Provision for Contribution to BPPF and BPPWF	35	(60,201,904)	(50,336,301)
Profit Before Income Tax		1,143,836,181	956,389,726
Income Tax expense	28	(285,959,045)	(263,007,175)
Deferred Tax (Expense)/Income	21	133,483	23,644
		(285,825,562)	(262,983,531)
Profit for the Year		858,010,619	693,406,195
Other Comprehensive Income		-	-
Total Other Comprehensive Income		858,010,619	693,406,195

The annexed notes form an integral part of these Financial Statements.
(For and on behalf of the Board of Directors of Sundarban Gas Company Limited.)


Shah Alam Molla
Company Secretary


Md. Nazmul Hasan
General Manager (Finance)


Uttam Kumar Sarkar
Managing Director


Md. Oliur Rahman
Director

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 30 October 2024




Md. Farhad Husain Suman FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants
Enrolment No. - 1635
DVC: 2411071635AS522075

Sundarban Gas Company Limited

Statement of Changes in Equity

For the year ended 30 June 2024

Particulars	Amount in Taka					Total Equity
	Share Capital	Deposit for Share	Capital Reserve	Depreciation Fund	Retained Earnings	
Balance as on 01 July 2023	1,000,000,000	48	-	247,691,312	1,785,460,964	3,033,152,324
Net profit for the year	-	-	-	-	858,010,619	858,010,619
Depreciation Fund	-	-	-	40,465,834	(40,465,834)	-
Interim Dividend Paid	-	-	-	-	(125,000,000)	(125,000,000)
Balance as at 30th June 2024	1,000,000,000	48	-	288,157,146	2,478,005,749	3,766,162,943

For the year ended 30 June 2023

Particulars	Amount in Taka					Total Equity
	Share Capital	Deposit for Share	Capital Reserve	Depreciation Fund	Retained Earnings	
Balance as on 01 July 2022	1,000,000,000	48	-	221,225,679	1,218,520,402	2,439,746,129
Net profit for the year	-	-	-	-	693,406,195	693,406,195
Depreciation Fund	-	-	-	26,465,633	(26,465,633)	-
Interim Dividend Paid	-	-	-	-	(100,000,000)	(100,000,000)
Share Issue	-	-	-	-	-	-
Balance as at 30th June 2023	1,000,000,000	48	-	247,691,312	1,785,460,964	3,033,152,324

(For and on behalf of the Board of Directors of Sundarban Gas Company Limited.)


Shah Alam Molla
Company Secretary


Md. Nazmul Hasan
General Manager (Finance)


Uttam Kumar Sarkar
Managing Director


Md. Ojiur Rahman
Director

Place: Dhaka
Dated: 30 October 2024

Md. Farhad Husain Suman FCA
Senior Partner
K. M. HASAN & CO.
Chartered Accountants
Enrolment No. - 1635
DVC: 2411071635AS522075





Sundarban Gas Company Limited

Sundarban Gas Company Limited

Statement of Cash Flows

For the year ended 30 June 2024

	2023-2024 Taka	2022-2023 Taka
A. Cash flows from operating activities		
Net profit (loss) for the year	858,010,619	693,406,195
Depreciation & Amortisation	27,041,789	26,465,633
	885,052,408	719,871,828
Decrease/(Increase) in Inventories of stores	1,001,439	(41,441)
Decrease/(Increase) in Advance and Deposit	(302,534,637)	(242,396,561)
Decrease/(Increase) in Trade Receivable	(8,677,117,201)	(4,246,765,732)
Decrease/(Increase) in Other Receivable	(187,239,263)	82,905,048
Increase/(Decrease) in Trade and other payable	5,950,184,406	3,887,767,177
Increase/(Decrease) in Group Current Account	2,519,111	(2,780,848)
Increase/(Decrease) in Creditors and Accruals	59,389,773	19,895,825
Increase/(Decrease) in Interest Payable	(27,881,220)	7,998,807
Increase/(Decrease) in Deferred Tax Liability	(133,483)	(23,644)
Increase/(Decrease) in Natun Biddut	(58,914,599)	32,820,575
Increase/(Decrease) in Workers' Profit Participation Fund	14,899,232	1,715,490
Increase/(Decrease) in Provision for Corporate Tax	285,959,046	263,007,175
Net cash (used in)/flow from operating activities	(2,054,814,989)	523,973,699
B. Cash flows from investing activities		
Fixed assets acquired	(9,873,685)	(4,996,254)
Project development/Capital WIP	399,219,392	153,571,319
Fixed Deposits	1,087,260,554	(248,232,047)
Loan to Employees	(4,519,562)	(64,219,598)
Net cash (used in)/flow from investing activities	1,472,086,699	(163,876,580)
C. Cash flows from financing activities		
Unsecured loan-local sources	(37,023,603)	(37,023,603)
Unsecured loans- foreign sources	505,964,653	(158,715,024)
Interest of SWGDNP	159,152,207	151,153,400
Customers security deposits	125,579,825	56,466,846
Interim Divident Paid	(125,000,000)	(100,000,000)
Net cash (used in)/flow from financing activities	628,673,082	(88,118,381)
D. Net (decrease)/increase in cash and bank balances (A+B+C)	45,944,792	271,978,738
E. Cash and bank balances at beginning of the year	802,776,936	530,798,198
F. Cash and cash Equivalent at the end of the year	848,721,728	802,776,936

(For and on behalf of the Board of Directors of Sundarban Gas Company Limited.)


Shah Alam Molla
Company Secretary


Md. Nazimul Hasan
General Manager (Finance)


Uttam Kumar Sarkar
Managing Director


Md. Oliur Rahman
Director

Place: Dhaka
Dated: 30 October 2024





Sundarban Gas Company Limited

Notes to the Financial Statements

As at & for the year ended 30 June 2024

01 Company's Background and Nature of Business

01.1 Domicile, Legal Form and Country of Incorporation

Sundarban Gas Company Limited (the Company) was incorporated in Bangladesh on 23th November 2009 as public limited company under the Companies Act, 1994 vide Reg. No. KHC-855/09. The Certificate of Commencement of Business was granted to the company on the same date. Since the formation of SGCL in November, 2009 it did not have any revenue income upto April 2013. The Company's income source was created after handing over the Transmission and Distribution line by BAPEX to SGCL in May 2013.

01.2 Address of Registered Office & Principal Place of Business

The Registered office of the Company is situated at Abir Tower, 218, M.A. Bari Sarak, Sonadanga, Khulna, Bangladesh. The address of operational head quarter is also at Abir Tower, 218, M.A. Bari Sarak, Sonadanga, Khulna, Bangladesh.

01.3 Principal Activities and Nature of Operation

At present the principal activities of the Company are to purchase of natural gas from gas producing companies of Petrobangla and distribution of natural gas to different category of consumers under Bhola district and a power station of NWPGL at Bharamara, Kushtia. The details plan are furnished in note no. - 01.4

01.4 Business Infrastructures

The objectives for which the company is established are to make economic use of the natural gas available from the exiting gas fields of the Bangladesh and such others gas fields as may be decided upon by the Government/Petrobangla from time to time within the franchise area of the company. The franchise area of the company shall consist of administrative divisions of Khulna (comprising 10 districts named as Khulna, Bagerhat, Satkhira, Jessore, Jhenaidah, Narail, Magura, Kushtia, Chuadanga and Meherpur) Barisal (comprising 6 districts named as Barisal, Barguna, Bhola, Jhalakati, Patuakhali and Pirojpur) and Part of Dhaka (comprising 5 districts named as Faridpur, Gopalganj, Madaripur, Rajbari, and Sariatpur) and additional areas that might be added by the decision of Government/ Petrobangla. This company shall construct, manufacturing, own, operate, equip, improve, develop, control, lay gas pipe line, buy and sell natural gas and maintain natural gas wells, wellhead facilities, processing units, pipelines tanks and others storage facilities to carry on in all their respective branches. All or any of the businesses of exacting producing, processing ,buying, storing transporting, transmitting distributing supplying, marketing and selling natural gas whether as such or in compressed stage for lighting, heating, motive power generation of electricity and for use as a feed-stock raw material or for the production or manufacturing of petrochemicals or any others purpose whatsoever in Bangladesh.





02. Basis for Preparation

02.1 Reporting Framework and Compliance thereof

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the Financial Reporting Council (FRC), the Companies Act, 1994 and other relevant local laws and regulations.

02.2 Other Regulatory Compliance

The company is also required to comply the following Status:

1. The Income Tax Act, 2023
2. The Income Tax Rules, 2023
3. The Value Added Tax and Supplementary Duties Act, 2012
4. The Value Added Tax and Supplementary Duties Rules, 2016
5. The Custom Act, 1969
6. Bangladesh Labour Act, 2006 Amended in 2013
7. Bangladesh labour Rules, 2015
8. BERC Accounting Guidelines
9. Companies Act 1994 (Amendment-2020)

02.3 Complete Set of Financial Statements

The Financial Statement comprises of following statements:

- Statement of Financial Position;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Cash Flows;
- Statement of Changes in Equity;
- Notes to the Financial Statements

02.4 Basis of Measurement

Measurement is the process of determining the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the Company is historical cost of property, plant and equipment, financial assets and inventories as disclosed in the accounting policies below.

02.5 Functional and Presentational Currency and Level of Precision

These financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT) except where indicated otherwise, which is both functional currency and presentation currency of the Company.

02.5.1 Foreign Currencies

Transactions in foreign currencies are recorded in local currency applying the exchange rates prevailing on the dates of transactions or where covered by a forward exchange contract, at the forward cover rates. Monetary assets and liabilities denominated in foreign currencies are



converted to taka at the rate of closing date and the resulting exchange fluctuation gains and losses are treated in profit & Loss A/C.

02.6 Use of Judgments and Estimates

02.6.1 Estimates

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these financial statements include assumptions used for trade receivables, depreciation, deferred taxes, provision for tax.

02.6.2 Judgments

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the financial statements is judgmental.

02.7 Reporting Period

The financial period of the company covers twelve months period from 1 July 2023 to 30 June 2024.

02.8 Comparative Information and Rearrangement thereof

Comparative information have been disclosed in respect of the year 2022-2023 for all 3 numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current years financial statements.

02.9 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provide sufficient fund to meet the present requirements of its existing business.

02.10 Accrual Basis of Accounting

These financial statements have been prepared on a accrual basis of accounting, except for cash flow information. The items of assets, liabilities, equity, income and expenses (the elements of financial statements) have been recognized when they satisfy the definitions and recognition criteria applicable for these elements as mentioned in the Framework.

02.11 Materiality and Aggregation

These financial statements present separately each material class of similar items. Dissimilar nature or function items are presented separately unless they are immaterial. Financial



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statements result from processing large numbers of transactions or other events that are aggregated into classes according to their nature or function.

02.12 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

02.13 Events after the Reporting Period

"Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified: Adjusting events:- those that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events:- those that are indicative of conditions that arose after the reporting period. Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements, if applicable.

03. Significant Accounting Policies

03.1 Accounting System

The Financial Statements have been prepared as per formats, requirements and instructions issued by Management Service Improvement Project (MSIP) of Petrobangla as well as Bangladesh Energy Regulatory Commission (BERC) and also keeping conformity with International Financial Reporting Standard (IFRSs) and International Accounting Standards (IASs) adopted by the Financial Reporting Council (FRC).

03.2 Specific Accounting Policies Selected and Applied for Significant Transaction and Events

The Accounts of the company have been prepared under International Financial Reporting Standards(IFRSs) in compliance with the formats, requirements and instructions issued by Management Service Improvement Project (MSIP) of Petrobangla.

03.3 Property, Plant and Equipment

i) Recognition

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if: a) it is probable that future economic benefits will flow to the entity; and b) the cost of the item can be measured reliably.

ii) Measurement

An item of property, plant and equipment qualifying for recognition is initially measured at its cost. Cost comprises expenditure that is directly attributable to the acquisition of the assets.



The cost of self-constructed asset includes the following: the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use; and when the company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

iii) Subsequent Expenditure

- Repairs and maintenance expenditure is recognized as expenditure as incurred.
- Replacement parts are capitalized, provided the original cost of the items they replace is derecognized.

iv) Depreciation

Property, plant and equipment like Transmission & Distribution pipe Line, Consumer Metering Station, Transmission & Distribution Plant, Office Equipment, Furniture & Fixture etc. except Freehold Land as shown in note - 5 are stated at cost less accumulated depreciation. Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost. Depreciation on fixed assets are charged as daily basis from following their acquisition date. Depreciation rates prescribed by Corporate Accounting Manual and Bangladesh Energy Regulatory Commission for the different categories of assets are as follows:

<u>Categories</u>	<u>Rate</u>
Freehold Land	Nil
Freehold Concrete/Brick Structures	2.50%
Sheds and temporary Structures	10.00%
Walls and Storeyards	5.00%
Other Construction	2.50%
Furniture and Fixure	10.00%
Domestic Appliances	15.00%
Office Equipment	15.00%
Telecom & Computer	15.00%
Transmission Lines	3.33%
Distribution Lines	5.00%
Transmission and Distribution Plant	5.00%
Consumer Metering Station	10.00%
Tubewells and Ponds	10.00%
Water Pumps	20.00%
Light Vehicle	20.00%

03.4 Investment in FDR

Investment in FDR are classified as Investment in FDR comprises fixed bank deposit with several Government and private bank. The management has also decided to invest a portion of Depreciation Fund and customer security deposit which were invested up to 30 June 2024 with accrued interest.





03.5 Loans and Advances to Employees

Loans and advances to employees are shown face value plus accrued interest and after adjustment of recovery which are excluded from current assets.

03.6 Inventories

Inventories represent stock of stationery i.e. table stationery, computer stationery for company's internal use and meter, pipeline fittings and spare parts used for RMS, CMS, TDP, DRS, pulling transmission pipe lines, distribution pipe lines and providing connection to industrial, Captive, Commercial (Hotel and restaurant) and domestic customers.

Inventories have been valued as follows:

- i) Stationery and meter, pipeline fittings and spare parts are valued at cost.
- ii) Stocks in transit are valued at cost.
- iii) Materials previously issued for project work when return to store are recorded at zero value.

03.7 Trade and Other Receivable

Trade and other receivables are initially recognised when they are originated. Trade receivables are valued at estimated realisable value. Trade and other receivables are classified as Trade receivables (Gas sales), receivable for materials-inter company, receivable for interest on FDR and miscellaneous irrecoverable etc.

03.8 Advance, Deposit and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment or stock etc.

Deposits are measured at actual value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

03.9 Cash and Cash Equivalent

According to IAS-7 "Statement of Cash Flows", cash comprises in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1 cash in hand and bank balances have been considered as cash and cash equivalents.

03.10 Non-Current Assets Held for Sale

As per instruction of Planning Department -1, Department of Mining and Mineral Resources under Ministry of Power, Energy and Mineral Resources, the management has decided to postpone or discontinue the project and has also decided to classify the assets as held for sale. As per paragraph 38 of IFRS - 5 "Non-Current Assets Held for Sale and Discontinued Operations" - the company present non current asset classified as held for sale separately



from other assets in the statement of financial position. Non-current assets held for sale balance represent the LC payment (Payment by ADB directly) for imported goods and project expenditure up to G.O. issue date of project approved by ECNEC on 03.02.2011 and company's investment during 2014-15, 2015-2016 & 2016-2017.

03.11 Financial Structures

The financial structure of the company comprises:

- i) Share Capital all of which are effectively owned by Petrobangla on behalf of the Government of Bangladesh.
- ii) Long term loan comprising foreign and local currency.

03.12 Interest on Borrowings

Interest on loan is charged directly to the specific capital projects funded by the loan. The charging ceases when the project is completed and thereafter the interest cost is charged to income statement. During the year 2023-2024 interest on loan was charged at applicable rate and it was shown in income statement.

03.13 Customer's Security Deposit

Customer security deposit comprises deposits by different categories of customers as security against gas connection as required under gas supply agreements are shown as "other long term liabilities". Such deposits are not repayable till gas supply to the customer existing.

03.14 Depreciation Fund

Depreciation Fund Management implement by the company Vide Petrobangla letter no. 28.02.0000.026.42.001.17/95, Date: 23-10-2017 and company board Meeting no. 83th Dated: 24-01-2019.

03.15 Lease Liability

IFRS 16 "Leases" effective from annual period beginning on or after January 1, 2020 has changed how the Company accounts for its leases contracts. The company leases a number of office space, warehouse and garage in addition to service site. Before the adoption of IFRS 16, all leases contracts we classified as operating leases. IFRS-16, requires all contracts that contain a leases to be recognized on the balance sheet and leases liability. Only certain short-term and low- value leases exempted. In Compliance with the standard, the company has elected to use the recognition exemption in the standard for short- term leases and leases of low value items. In such cases the leases are accounted for as short term leases payments associated with them.

03.16 Group Current Accounts

The company carried out transactions with related parties (Group concern of Petrobangla) during the year under review. Therefore, disclosure of information provided through note-23 as required by IAS 24: "Related Party Disclosure".





03.17 Creditor and Accruals

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

03.18 Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i) Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii) Deferred Tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

03.19 Revenue

- i. Bangladesh Energy Regulatory Commission on behalf of the Government of Bangladesh sets sales prices as well as various margin for gas. Sales are valued on an accrued basis. Sales are stated net of Government levies and taxes on sales and margin for other Stakeholders.
- ii. Other revenues earned from gas distribution business in the form of Connection charges, Commissioning fees, service charges, Meter Rent, Penalty & Fine Receipt, Demand Charge and income from Higher Heating Value (HHV) etc. are also treated as Other Operating Income.
- iii. Revenue received from other sources such as enlistment and renewal fee, forfeiture, liquidated damage, profit on sale of stores, sale of tender document etc. are shown as Other Income.

