



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS



PRIVATE & CONFIDENTIAL

Titas Gas Transmission and Distribution Company Limited

Auditor's Report
&
Audited Financial Statements
For the year ended 30 June, 2021

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Independent Auditor's Report

To the Shareholders of Titas Gas Transmission and Distribution Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Titas Gas Transmission and Distribution Company Limited which comprise the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- Long-term liabilities as disclosed in Note# 24 to the financial statements include customers' security deposit of Tk. 2,280.98 crore as on 30 June 2021. The Head Office of the Company maintains control ledgers with the information received from zone offices. But during our audit at zone offices we could not confirm such balances with the records of zone offices as the zone offices' general ledgers were not updated. Further, any list, address or any other particulars of the parties could not be made available to us. As a result, we could not ensure by accuracy of the balances from the records of the zone offices.
- Required provision for pension fund of the eligible employees of the Company as on 30 June 2020 was Tk. 1,092.60 crore as per actuarial valuation done by M/s. AIR CONSULTING. As on the said date the Company's assets for the pension fund was only Tk 92.00 crore resulting in a shortfall of provision of Tk. 1,000.60 crore for the said fund. The actuary firm, M/s. AIR CONSULTING recommended to make an annual provision of;
Option:1- Tk. 200.00 crore immediately and paying Tk 16.92 crore per month to repair the maintaining deficit in 5 years from the date of valuation .
Option:2- Tk.300.00 crore immediately and paying Tk 14.80 crore per month to repair the maintaining deficit in 5 years from the date of valuation.
Option:3- Tk.400.00 crore immediately and paying Tk 12.70 crore per month to repair the maintaining deficit in 5 years from the date of valuation.

Our opinion on this report, The Company need to make required provision for pension fund according to the actuary report.



- c. Due to delay in payment of bills by the bulk customers (Power- PDB) the Company calculates and charges penal interest on the bill amounts of the respective customers. As such a total amount of Tk. 55.89 crore has been recognized as interest income up to 30 June 2021 and included in Trade Receivables shown in Note# 11. On the other hand, the Company accounted for meter rent and demand charges on its customer namely, PDB for Tk. 134.60 crore up to the year 2020-21. Further, the Company accounted for another income of Higher Heating Value (HHV) from its Private Power customers amounting to Tk 39.52 crore up to the year 2020-2021. The Company has been recognizing these income and receivables since the year 2002. Out of the said aggregated amount of more than Tk. 230.01 crore, there is no realization till date. On a query we came to know that the said customers are not interested to pay such penal interest as well as meter rent, demand charges and high heating value which remain unrealized for long. As a result, there is a substantial doubt as regards realization of the said penal interest, meter rent and high heating value receivable which require full provision in the accounts.
- d. Receivable from Encashment of FDR for Tk 58.61 crore as disclosed in Note# 14 represents investment in Fixed Deposit Receipt (FDR) with Padma Bank Limited (formerly known as "The Farmers Bank Limited"). Because of weak credit worthiness of the said banks there is a substantial doubt as regards realization of the said investment which require full provision in the accounts. But necessary provision in this regard has not been made in the accounts.
- e. Physical verification of inventories done at 30 June 2013 identified dead stock worth Tk. 10.44 crore and obsolete stock worth Tk. 3.33 crore by the inventory committee at that time. But the Company did not make any adjustment in the accounts for the said items. Further, the Company conducted physical verification of inventories as on 30 June 2020. It identified huge quantities of dead and obsolete items but could not determine the value of such inventories. As a result, the value of inventories as on 30 June 2021 may include huge quantities of dead and obsolete items which could not be quantified thereof due to lack of information. Thus the carrying amount of inventories of the Company as on 30 June 2021 appears to be overstated.
- f. As per subsidiary loan agreement (SLA) between the Government of the Republic of Bangladesh and Titas Gas Transmission and Distribution Company Limited (TGTDCL), the Company has received Tk. 27.29 crore as equity and recognized it as share money deposit. As per Gazette Notification No. 146/FRC/Adm./SRO/2020/01 dated 02 March 2020 by Financial Reporting Council (FRC), the capital received as share money deposit or whatever the name which is included in the Equity part of any company that cannot be refunded and the said amount shall be converted into share capital within 06 (six) months from the date of such receipt. Further, such share money deposit shall be considered in calculation of Earnings per share. However, the outstanding amount of such share money deposit stands at Tk. 205.79 crore as at 30 June 2021. But the Company has not converted this Share Money Deposit into the share capital of the Company as per the instruction given by FRC.

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

Our opinion is not modified in respect of these matters.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters in our report.

1. Revenue	
See Note # 30 to the financial statements	
Key audit matters	How the matters were addressed in our audit
<p>At the year end the Company reported total revenue of Tk. 17,866.23 crore, equivalent to 98.97% of the Company's total assets, which is significantly material to the financial statements. The Company recognizes revenue on consumption basis through issuing invoices at the end of each month to the customers (except domestic customers) for consumption of gas. The revenue from domestic customers are recognized on fixed rate basis. The Company recognizes sales revenue in accordance with the order issued by Bangladesh Energy Regulatory Commission (BERC) i.e., BERC order # 2019/02 dated 30 June 2019.</p> <p>Therefore, there is a risk of revenue being misstated due to incorrect recognition.</p>	<p>Our audit procedures to address the risks of material misstatement relating to revenue recognition, which was considered to be a significant risk, includes the testing of design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Recalculation of consumption units and bill amounts; • Evaluation of meter reading process along with proper authorization; • Segregation of duties in invoice creation and modification; • Effectiveness of the information systems to record and present accurate amount of revenue; • Payment habits of customers and its overall impact on operational cash flows; • Timing of revenue recognition, etc. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year to determine whether revenue was recognized in the correct period; • Obtaining supporting documentation and records from different zones and zonal sales offices to match with accounts revenue control account; • Reviewing accounting records and overall information generation systems; • Reviewing gas sales agreements with customers (Bulk) and underlying policy documentation with a view to ensuring that agreed terms were properly adhered to; and • Critically assessing manual journals posted to revenue to identify unusual or irregular items, etc.





2. Property, plant and equipment and capital work-in-progress	
See notes # 5 & 6 to the financial statements	
Key audit matters	How the matters were addressed in our audit
<p>At the reporting date, the carrying value of the Company's property, plant and equipment and capital work-in-progress amounted to Tk. 979.19 crore and Tk. 521.37 crore respectively which represent 5.42% and 2.89% of total assets respectively. The valuation of property, plant, and equipment and capital work in progress were identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgments in determining its valuation.</p> <p>In considering the valuation of property, plant, and equipment, we focused on the assessment of the followings:</p> <ul style="list-style-type: none">• Inherent risks associated with property, plant and equipment.• Potential misstatements in property, plant, and equipment on account of frauds and errors.• Assessment of useful lives of assets.• Assessment of impairment of assets. <p>Inherent risks associated with property, plant and equipment</p> <ul style="list-style-type: none">• Property, plant and equipment may include assets that should have been derecognized following sale, other transfer of rights, abandonment or impairment.• Expenditure that should have been recognized as property, plant and equipment but has not been so recognized, including capitalized finance costs.• Depreciation may have been incorrectly calculated.• Potential misstatements in property, plant, and equipment on account of frauds and errors.• Purchase of an asset at an inflated price especially from a related party.	<ul style="list-style-type: none">• We obtained an understanding of the client and its environment to consider inherent risk related to property, plant, and equipment. Our understanding includes:<ul style="list-style-type: none">➢ Obtaining an understanding of the internal control over property, plant, and equipment.➢ Assessing the risks of material misstatement and designing tests of controls and substantive procedures that cover the following aspects:• Substantiate the existence of property, plant, and equipment.• Establish the completeness of recorded property, plant, and equipment.• Verify the cut-off of transactions affecting property, plant, and equipment.• Establish the proper valuation or allocation of property, plant, and equipment and the accuracy of transactions affecting property, plant, and equipment.• Determine the correctness and appropriateness of classification of property, plant and equipment.• We obtained an understanding of the potential misstatements in property, plant, and equipment on account of frauds and errors.• We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16. "Property, Plant and Equipment".• We compared the useful lives of each class of assets in the current year to the prior year to determine whether there were any significant changes in the useful lives of assets, and considered the reasonableness of changes based on our knowledge of the business and the industry.• We verified records e.g. contractor bills, work orders and certification of work performed by the specialized personnel to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work- in- progress.



- Wrong write-off of the asset as scrap, obsolescence, missing, donated, or destroyed.
- Expenditures for repairs and maintenance recorded as property, plant and equipment or vice versa.
- Capitalization of expenditure which are not normally attributable to the cost of the property, plant and equipment.
- Recording of an asset purchased, which in effect has not actually been received by the entity at all.

Valuation of capital work- in- progress to PPE

Management needs to ensure that the assets under construction or pending installation and not yet ready for intended use are classified as work- in- progress. An appropriate system needs to put in place to capture all directly identifiable costs, which can be capitalized, to be so accumulated to capital work- in- progress whilst expenses which are not eligible for being capitalized are identified and charged to revenue in the normal course.

Assessment of useful lives of assets

Management applies estimates and judgments in its determination of useful lives of assets and reviews the useful lives of assets at each financial year end and adjusts for changes, where appropriate.

Impairment of assessment

At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount of the asset. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

- We also verified the date on which the assets are moved from the capital work- in- progress account to the property, plant and equipment (the date on which the asset is ready for intended use), so that the depreciation on property, plant and equipment has been computed correctly.
- We reconciled the movement of capital work- in- progress from opening to closing, specifically verifying additions during the year, capital assets completed during the year and impairment of any opening capital work- in- progress items.
- We assessed whether there are circumstances that indicate a possible impairment of property, plant and equipment and if such circumstances exist, how the same have been dealt with by the entity.
- We were satisfied that the property, plant and equipment recognition and measurement policies have been applied appropriately. Based on the work performed, we concluded that property, plant and equipment have been recorded appropriately.



3. Measurement of Deferred Tax Liability	
See Note # 21 to the financial statements	
Key audit matters	How the matters were addressed in our audit
<p>Company reported net deferred tax liability totaling Taka 97.04 crore as at 30 June 2021.</p> <p>Significant judgment is required in relation to deferred tax liability as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of deferred tax assets and liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures as per IAS 12: <i>Income Tax</i>.</p>
4. IT systems and controls	
Key audit matters	How the matters were addressed in our audit
<p>Our audit procedures have been focused on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT is dependent on manual controls.</p> <p>We have focused on master data management, user access management and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring operating effectiveness of manual with automated control and automated controls.</p>	<p>We tested the design and operating effectiveness of the company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights. We also inspected requests of changes to systems for appropriate approval and authorization. We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit. Where deficiencies were identified, we tested compensating controls or performed alternate procedures.</p>

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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 herein, we will communicate the matter to those charged with governance of the Company.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant notifications issued by Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our qualified 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 procedures that are appropriate in the circumstances.
- 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 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.

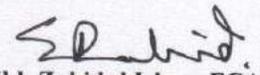
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

As required by the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission (BSEC) 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements 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 accounts and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Signed for & on behalf of
Shafiq Basak & Co.
Chartered Accountants



Sheikh Zahidul Islam, FCA, MBA
Partner

DVC No: 2110181394AS555547

Dated: 18th October, 2021
Dhaka



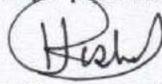
Titas Gas Transmission and Distribution Company Limited
Statement of Financial Position
As at 30 June 2021

IAS 1.51(a) IAS 1.10(a),51(b) IAS 1.51(c) IAS 1.51(d),(e) IAS 1.113	Particulars	Notes	Amount in Taka	
			30.06.2021	30.06.2020
	ASSETS:			
IAS 1.56	Non-Current Assets		53,195,628,122	58,738,552,101
IAS 1.54(a)	Property, plant & equipment (at cost less Depreciation)	5	9,791,916,871	10,466,986,084
IAS 1.54(a)	Capital work in progress	6	5,213,740,929	4,472,865,231
IAS 1.54(b)	Investments	7	23,808,720,467	28,644,322,628
IAS 1.54(b)	Inter-company loan	8	11,232,499,000	11,937,240,500
IAS 1.54(b)	Loan to employees	9	3,148,750,855	3,217,137,659
	Current Assets		127,327,858,394	121,857,457,009
IAS 1.54(g)	Inventories	10	1,772,973,544	1,848,970,963
IAS 1.54(h)	Trade receivables less provision for bad and doubtful debt	11	57,760,876,654	58,673,609,817
IAS 1.77	Advance, deposit & prepayments	12	43,104,658,657	38,585,985,166
IAS 1.66	Group current accounts	13	426,074,971	401,321,282
IAS 1.66	Other current assets	14	1,801,313,630	2,452,210,667
IAS 1.54(i)	Cash and cash equivalents	15	22,461,960,938	19,895,359,114
	TOTAL ASSETS		180,523,486,516	180,596,009,109
	EQUITY AND LIABILITIES:			
	Shareholders' Equity		71,783,221,940	70,621,664,474
IAS 1.79	Share capital	16	9,892,218,310	9,892,218,310
IAS 1.79	Share money deposit	17	2,057,918,478	1,784,948,408
IAS 1.54(r)	Reserve fund	18	809,637,892	808,827,341
IAS 1.78(e),108	Retained Earnings	19	59,023,447,260	58,135,670,415
IAS 1.71	Non-Current Liabilities		29,563,592,263	27,105,613,285
IAS 1.55	Long term loans (net of current maturity)	20	3,226,815,057	2,903,990,031
IAS 1.54(o)	Deferred tax liability	21	970,452,305	1,112,618,020
IAS 19.120	Retirement benefit obligations	22	2,404,561,924	2,036,695,309
IAS 19.120	Leave pay	23	151,913,822	193,120,115
IAS 1.56	Customers' security deposits	24	22,809,849,155	20,859,189,810
IAS 1.69	Current Liabilities		79,176,672,313	82,868,731,349
IAS 1.61	Current portion of loans term loans	20	86,789,381	86,740,830
IAS 1.54(k)	Trade payables	25	43,889,458,504	49,602,281,434
IAS 1.69	Group current accounts	26	824,973,987	643,596,745
IAS 1.104	Workers' profit participation fund (WPPF) and WF payable	27	151,100,432	266,713,626
IAS 12.47	Provision for income tax	28	31,191,578,011	30,177,670,929
IAS 1.70	Liabilities for expenses	29	3,032,771,998	2,091,727,785
	TOTAL LIABILITIES		108,740,264,576	109,974,344,634
	TOTAL EQUITY AND LIABILITIES		180,523,486,516	180,596,009,109
	Net Assets Value (NAV) per share	42	72.57	71.39

The annexed notes from 1 to 50 form an integral part of these Financial Statements.


 (Md. Munir Hossain Khan)
 Company Secretary


 (Md. Babor Ali)
 Director (Finance)

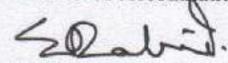

 (Engr. Md. Haronur Rashid Mullah)
 Managing Director


 (Md. Anisur Rahman)
 Chairman

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



Dated: 18th October, 2021
 Dhaka

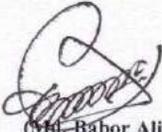
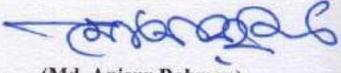
Signed for and on behalf of
 Shafiq Basak & Co.
 Chartered Accountants

 Sheikh Zahidul Islam FCA, MBA
 Partner
 DVC No: 2110181394AS555547

IAS 1.51(a)
 IAS 1.10(b),81A
 IAS 1.51(b),(c)

Titas Gas Transmission and Distribution Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

IAS 1.51(d),(e) IAS 1.113	Particulars	Notes	Amount in Taka	
			2020-2021	2019-2020
IAS 1.82(a)	Revenue	30	178,662,338,030	169,879,389,331
IAS 1.103	Less: Cost of sales	31	171,881,153,522	163,685,237,663
IAS 1.85	Gross Profit		6,781,184,508	6,194,151,668
	Less: Operating expenses		4,815,083,798	5,191,011,977
IAS 1.82(b)	General administrative expenses	32	4,621,793,816	5,114,564,330
IAS 1.82(b)	Transmission & distribution expenses	33	193,289,982	76,447,647
	Other operating income	34	123,094,057	111,294,960
IAS 1.54(b)	Gross Operating Profit for the year		2,089,194,767	1,114,434,650
IAS 1.82(b)	Less: Finance cost	35	41,652,006	41,989,714
	Net Operating Profit for the year		2,047,542,761	1,072,444,936
IAS 1.85	Add: Non operating income		2,511,925,632	4,239,230,778
	Investment income	36	1,621,648,334	3,167,379,349
	Finance income	37	890,277,298	1,071,851,428
	Profit before WPPF and WF		4,559,468,393	5,311,675,714
IAS 1.99	Less: Provision for contribution to WPPF & WF		227,973,420	265,583,786
IAS 1.85	Profit before income tax		4,331,494,973	5,046,091,928
IAS 1.82(d)	Less: Income tax expense		871,741,367	1,448,028,425
IAS 12.82(b)	Current tax	38	1,013,907,082	1,508,264,490
IAS 12.82(b)	Deferred tax (income)/expense	21	(142,165,715)	(60,236,065)
	Net profit after income tax		3,459,753,606	3,598,063,503
IAS 1.82A	Other comprehensive income	39	810,550	(748,200)
	Total comprehensive income		3,460,564,156	3,597,315,303
IAS 33.66	Earning Per Share (EPS)	40	3.50	3.64

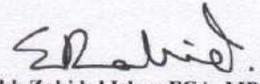
The annexed notes from 1 to 50 form an integral part of these Financial Statements.

			
(Md. Munir Hossain Khan) Company Secretary	(Md. Babar Ali) Director (Finance)	(Engr. Md. Haronur Rashid Mullah) Managing Director	(Md. Anisur Rahman) Chairman

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

Signed for and on behalf of
Shafiq Basak & Co.
 Chartered Accountants

Dated: 18th October, 2021
 Dhaka


 Sheikh Zahidul Islam FCA, MBA
 Partner
 DVC No: 2110181394AS555547



IAS 1.51(a)
IAS 1.10(c)
IAS 1.51(c)
IAS 1.51(d),(e)

Titas Gas Transmission and Distribution Company Limited
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	(Amount in Taka)				
	Share Capital	Share Money Deposit	Reserve Fund	Retained Earnings	Total Equity
Balance as at 01 July 2020	9,892,218,310	1,784,948,408	808,827,341	58,135,670,414	70,621,664,474
Net profit after tax for the year	-	-	-	3,459,753,606	3,459,753,606
Cash Dividend for the year 2019-2020 @ 26%	-	-	-	(2,571,976,761)	(2,571,976,761)
Share money deposit transferred from long term loan	-	272,970,070	-	-	272,970,070
Fair value adjustment of marketable securities	-	-	810,550	-	810,550
Refund of Share money deposit to Govt.	-	-	-	-	-
Balance as at 30 June 2021	9,892,218,310	2,057,918,478	809,637,891	59,023,447,260	71,783,221,940

IAS 1.113
IAS 1.10(a)

Particulars	(Amount in Taka)				
	Share Capital	Share Money Deposit	Reserve Fund	Retained Earnings	Total Equity
Balance as at 01 July 2019	9,892,218,310	1,512,137,270	809,575,541	57,109,583,672	69,323,514,794
Net profit after tax for the year	-	-	-	3,598,063,503	3,598,063,503
Cash Dividend for the year 2018-2019 @ 26%	-	-	-	(2,571,976,761)	(2,571,976,761)
Share money deposit transferred from long term loan	-	274,276,910	-	-	274,276,910
Fair value adjustment of marketable securities	-	-	(748,200)	-	(748,200)
Refund of Share money deposit to Govt.	-	(1,465,771)	-	-	(1,465,771)
Balance as at 30 June 2020	9,892,218,310	1,784,948,408	808,827,341	58,135,670,414	70,621,664,474

IAS 1.10(a)

(Md. Munir Hossain Khan)
Company Secretary

(Md. Babur Ali)
Director (Finance)

(Engr. Md. Haronur Rashid Mullah)
Managing Director

(Md. Anisur Rahman)
Chairman



Dated: 18th October, 2021
Dhaka

IAS 1.51(a)
IAS 1.10(d)
IAS 1.51(c)

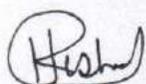
Titas Gas Transmission and Distribution Company Limited
Statement of Cash Flows
For the year ended 30 June 2021

IAS 1.113(d),e IAS 1.113	Particulars	Notes	Amount in Taka	
			2020-2021	2019-2020
IAS 7.10	A. Cash flows from operating activities			
IAS 7.18(a)	Receipts from customers		179,516,650,247	151,487,140,755
IAS 1.85	Interest received		3,196,312,063	3,903,801,564
	Other income received		116,699,289	547,129,210
IAS 1.14⊕	Payment against gas purchase		(177,582,406,178)	(153,571,320,777)
	Payment for salary & other cost		(2,417,772,747)	(2,633,346,457)
	Payment for WPPF	27.1	(343,586,614)	(232,867,569)
	Inter Company accounts		-	(226,167,598)
IAS 7.33	Interest paid		(14,945,567)	(16,434,426)
IAS 7.35	Income tax paid	12.1.2	(4,408,883,923)	(3,958,102,528)
	Advance, Deposits & Prepayments		(636,444,865)	(157,852,516)
	Other Creditors		1,472,599,893	429,940,614
	Net cash (used in)/flow from operating activities	43	(1,101,778,402)	(4,428,079,729)
IAS 7.10	B. Cash flows from investing activities			
IAS 1.54(b)	Fixed deposit		4,836,398,520	14,996,669,100
	Security received from customers		2,039,395,721	2,514,592,728
	Loan re-payment made by BAPEX	8.2.1	162,500,000	162,500,000
	Loan to GTCL	8.1.1	-	(2,673,300,000)
	Loan repaid by GTCL	8.1.2	542,241,500	351,391,500
IAS 1.66	Other current assets		(259,952,403)	(239,235,986)
IAS 7.16(a)	Acquisition of fixed assets		(1,182,402,768)	(1,258,266,145)
	Acquisition of stores		(201,718,900)	(49,694,786)
	Employees' loan		(294,899,148)	(830,270,426)
IAS 19.120	Gratuity fund	22.2.1	-	(93,960)
IAS 19.120	Leave pay	23.1	(98,372,812)	(56,790,847)
IAS 19.120	Pension fund		114,731,700	444,640,295
IAS 19.120	Provident fund		(16,471,992)	18,855,283
	Net cash flow from investing activities		5,641,449,418	13,380,996,755
			(566,210,594)	
IAS 7.10	C. Cash flows from financing activities			
	Share money deposit received	17.1	272,970,070	274,276,910
IAS 7.17(d)	Loan received		409,455,105	409,135,364
IAS 7.17(c)	Repayment of long-term loan		(86,740,832)	(86,400,982)
	Dividend paid		(2,569,597,086)	(2,560,897,763)
	Net cash used in financing activities		(1,973,912,743)	(1,963,886,471)
IAS 7.50(d)	D. Net increase in cash and bank balances (A+B+C)		2,565,758,273	6,989,030,555
	E. Unrealised foreign exchange loss	32.1	-	(1,454,969)
	F. Cash and bank balances at beginning of the year	15	19,895,359,114	12,907,783,528
	G. Cash and bank balances at the end of the year	15	22,461,117,387	19,895,359,114
	Net Operating Cash Flow Per Share (NOCFPS)	41	(1.11)	(4.48)

The annexed notes from 1 to 50 form an integral part of these Financial Statements.


(Md. Munir Hossain Khan)
Company Secretary


(Md. Babar Ali)
Director (Finance)


(Engr. Md. Haronur Rashid Mullah)
Managing Director


(Md. Anisur Rahman)
Chairman

Dated: 18th October, 2021
Dhaka



IAS 1.51(a)
 IAS 1.51(c)
 IAS 1.51(e)
 IAS 1.38

Titas Gas Transmission and Distribution Company Limited
Notes to the Financial Statements
For the year ended 30 June 2021

1 Background and Introduction

Titas Gas Transmission and Distribution Company Limited (hereinafter referred to as "TGTDCCL or the Company") was established in the year 1964. After liberation of the country the Company was nationalized under the Presidential Order No. 27/1972 and its overall activities has been placed under the supervision and control of Bangladesh Oil, Gas & Mineral Corporation (BOGMC) commonly named 'Petrobangla'. Subsequently, the Company's Board was vested with full autonomy and exercise all financial powers as per Company's act 1994 as stated vide the government gazette notification No. বিজ্ঞপত্র (প্রসউ-২)/গ্যাস-২/২০০২ (অংশ-২)/৭৮৭ dated 5 November 2002. The Company has been listed with Dhaka Stock Exchange (DSE) on 09 June 2008 and with Chittagong Stock Exchange (CSE) on 19 June 2008 under the direct listing rules of Securities & Exchange Commission offloading 25% of its shares in the stock markets. Currently, Petrobangla holds 75% of the Company's paid up share capital.

The aim and objective of the Company is to transmit natural gas from the gas fields to different areas to distribute the same to the consumers in power, fertilizer, industrial, commercial, captive power, feed gas for CNG, and domestic categories within its franchise areas viz. greater Dhaka & Mymensingh districts. After construction of the 58 miles long original 14" diameter gas transmission pipeline from Brahmanbaria to Demra the Company started its commercial activities in April 1968 supplying gas to Siddhirganj Power Station which was its first gas consumer. Thereafter, the Company constructed different distribution lines in phases towards Dhaka City area, Ghorashal and Ashuganj for supplying gas to the customers in all categories. Till the liberation of the country in 1971 TGTDCCL had been able to supply gas to two power stations, one fertilizer factory and about 2000 customers in other categories.

The Company since its inception has been developing its activities day by day and at present it has a gas pipeline network of about 13,238.09 km and a total connection of gas customer is 2875813 including 8 power stations of PDB, 39 private power stations and 3 fertilizer factories in the bulk category.

IAS 1.117 **2 Basis of preparation of the Financial Statements**

2.1 Statement of compliance

The financial statements have been prepared in accordance with the requirements of the Companies Act 1994, Securities and Exchange Rules 1987, Securities and Exchange Ordinance 1969, the Listing Regulations of Dhaka Stock Exchange (DSE) and other relevant local laws as applicable, and in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by Institute of Chartered Accountants of Bangladesh (ICAB).

2.2 Other regulatory compliance

The Company is also required to comply with the following statutes:

- The Income Tax Ordinance, 1984;
- The Income Tax Rules, 1984;
- The Value Added Tax and Supplementary Duty Act, 2012;
- The Value Added Tax and Supplementary Duty Rules, 2016;
- The Customs Act, 1969;
- The Bangladesh Labour Act, 2006 (Amended in 2013 & 2018), etc.

2.3 Authorization for issue

The audited financial statements as at and for the year ended 30 June 2021 were authorized to issue by the Board of Directors on 18 October 2021.

2.4 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. These financial statements have been prepared under the historical cost convention and on a going concern basis.



2.5 Going concern assumption

When preparing financial statements, management makes an assessment of TGTDCCL's ability to continue as a going concern. TGTDCCL prepares financial statements considering going concern assumption as per IAS-1(25).

2.6 Components of Financial Statements

The Financial Statements comprises as follows:

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

2.7 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/BDT/Tk.), which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest integer. Because of these rounding off, in some instances the totals may not match the sum of individual balances.

2.8 Use of estimates and judgments

The preparation of the financial statements of the company requires management to make and apply consistently the judgments, estimates and assumptions for records and balances 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 ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Note: 5 Property, plant and equipment
- Note: 11 Trade receivables
- Note: 25 Trade payables
- Note: 28 Provision for income tax

2.9 Reporting period

The financial period of the company covers one year from 01 July to 30 June and is being followed

2.10 Status of compliance of International Financial Reporting Standards (IFRSs)

IAS	Title	Remarks
1	Presentation of Financial Statements	Complied
2	Inventories	Not complied
7	Statement of Cash Flows	Complied
8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
10	Events after the Reporting Period	Complied
12	Income Taxes	Complied
16	Property, Plant & Equipment	Complied
19	Employee Benefits	Complied
21	The Effects of Changes in Foreign Exchange Rates	Complied
24	Related Party Disclosures	Complied
33	Earnings Per Share (EPS)	Complied
34	Interim Financial Reporting	Complied
36	Impairment of Assets	Complied
37	Provisions, Contingent Liabilities and Contingent Assets	Complied
38	Intangible Assets	Complied

IFRS	Title	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customers	Complied

3 Summary of significant accounting policies

IAS 16.21

3.1 Property, plant and equipment (PPE)

IAS 16.73(a)

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 IAS-16 "Property, Plant and Equipment" except land which is stated at cost only. 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.

Leases

IFRS 16: Leases introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after 1 January 2019, but also with permission for early adoption.

TGTDCL has applied the exemption for short-term leases and booked its rental payments as expenses in profit or loss given that the enforceable period of all its current contracts are cancellable in the short-term and has no purchase option.

ii) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

IAS 16.73(C)
IAS 1.55

iii) Depreciation

Depreciation is charged on property (except land), plant and equipment using 'Straight line method' to allocate the costs over this estimated useful lives. Depreciation on addition to property, plant and equipment is charged from the date when the asset is put into use for commercial operation. No depreciation is charged on the asset from the date the assets are disposed. The rates of depreciation varies from 3% to 30% p.a. based on useful lives and nature of the assets. Rates of depreciation are as follows:

Category of PPE	Rate (%)
Land and land development	Nil
Building	3-10
Furniture & fixtures	10-15
Office equipment	15
Other equipment	15-30
Transmission & distribution lines	3-10
Water services	10-20
Vehicles	20
Integrated Software	20
Other assets	10-20



3.2 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 the 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. Web based Integrated customised software, commonly named TGTDC System, developed by M/S. Divine IT Ltd. as local vendor is amortized using the straight line method 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.

IAS 1.54(a)

3.3 Capital work-in-progress

The cost of self-constructed assets includes the cost of materials, direct labour and other directly attributable costs. These expenditures is capitalized and recognized as items of PPE when they are ready for intended use.

IAS 2.36(a)

3.4 Inventory

The company maintains inventory of materials & spares for the construction of Pipelines and for maintenance of existing transmission and distribution Pipelines for uninterrupted customer services. Out of total inventory some are very emergency in need and those are not available in the local market and also it is difficult to procure instantly when needed. It is mentionable that these are slow moving items of inventory in the store.

The company has to maintain a huge stock of materials and other inventory for its maintenance. It is also mentionable that there are some obsolete/dead stock items in the inventory. For disposing those items the Company has an intention to conduct an auction to write-off.

3.5 Financial assets

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include trade receivable, advances, deposits and prepayments, loan to related companies and cash and bank balances, etc.

3.5.1 Trade receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful debts, if any, based on a review of all outstanding amounts at the period end.

IAS 1.54(i)

3.5.2 Cash and bank balances

Cash and cash equivalents include cash in hand and cash at bank which are held and available for use by the company without any restriction.

3.6 Financial liabilities

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade payables and other financial obligations.



3.6.1 Trade payables

These liabilities are recorded at the amount payable for settlement in respect of gas supplied in Titas's gas pipeline network. A dispute had been being carried for a very long period as GTCL (Gas Transmission Company Limited) was not making accurate computation of gas while feeding in the company's pipeline network ignoring complaints by the company. In that state, the company calculates the volume of gas purchase on the basis of sales volume from 01 July 2019. A committee was formed to resolve the dispute/problem in Petrobangla (the holding company) and a decision is expected therefrom for a positive solution for all the parties related.

3.6.2 Loans and borrowings

Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

3.6.3 Provisions

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with IAS 37. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss/gain. Should circumstances change following unforeseeable developments, this likelihood could alter.

3.6.4 Liability for expenses

These liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company.

3.7 Employees' benefit schemes

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

i) Pension Fund

The Company has created a pension scheme for its employees who have opted for pension. This fund represents accumulated amount of company's contribution and interest earned thereon less payments made to the ex-employees enjoying pension benefits. This fund has been invested into FDR & ICB Unit Certificate.

ii) Provident Fund

The Company also operates a provident fund for its employees which contributed by the employees only not by the company. This fund has been entirely invested in FDR.

iii) Gratuity Fund

The Company also operates gratuity fund for those employees who have opted for gratuity and not for pension. Liability for gratuity is calculated and accounted for at the year end.

iv) Workers' Profit Participation Fund

The Company recognizes a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Bangladesh Labour Act, 2006 (Amended in 2013 & 2018).

3.8 Revenue recognition

Revenue is recognized as per IFRS 15: Revenue from Contracts with Customers, to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured.

The Company recognizes revenue on consumption basis at the end of month to the consumers (except domestic consumers) for consumption of gas. The domestic consumers' revenue are recognized on fixed rate basis. Operational income arising from meter rent, late payment penalties, connection and reconnection fees, commissioning fees, sale of store materials on accrual basis.

3.9 Foreign currency translation/ transaction

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated at the exchange rate prevailing on the closing date. Exchange gain or loss arising from foreign currency loan are presented in Profit or loss and other comprehensive income under the head of general administrative expense.



3.10 Taxation

Income tax expenses comprise current and deferred taxes. Income taxes are recognized in the statement of profit or loss and other comprehensive income except to the extent that relates to items recognized directly in equity or in other comprehensive income.

Current Tax

Provision for current income tax has been made as per prescribed rate (i.e. 22.50%) in the Finance Act, 2021 on the accounting profit made by the company after considering disallowances of expenditure as per income tax laws in compliance with IAS-12 "Income Taxes".

Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws 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 profit or loss and other comprehensive income as per IAS-12 "Income Taxes".

3.11 Finance income and costs

Finance income comprises interest income from loan to employees, loan to inter-companies and interest income on bank deposits recognized in the statement of profit or loss and other comprehensive income. Finance costs comprise interest payable on borrowings from local and foreign lenders.

3.12 Expenditure

All known expenditure have been accounted for irrespective of whether the same is paid or not up to the closing date.

3.13 Earnings per share (EPS)

Basic earnings per share (EPS) is calculated in accordance IAS-33 dividing the net income attributable to the ordinary shareholders by the number of ordinary shares outstanding at the end of the year. No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

3.14 Statement of cash flows

Cash Flow Statement is prepared in accordance with IAS 7 under direct method as per requirement of the Securities and Exchange Rules 1987. A reconciliation of net profit with cash flows from operating activities under indirect method is also given.

3.15 Impact of COVID-19

World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the Company as well. Although the business operation and profitability of the Company is impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID-19 related matters on the Company's operation and financial results cannot be reasonably assessed.

4 General

- a) The financial statements are presented in Bangladeshi Taka which is both functional currency and presentation currency of the Company;
- b) Figures appearing in these financial statements have been rounded off to the nearest Taka; and
- c) Comparative figures and account titles in these financial statements have been rearranged/ reclassified whenever considered necessary. Details of the rearrangements were given under Note# 50.



IAS 1.78(O)
IAS 16.73(a)

5. Property, plant and equipment

Amount in Taka	
30.06.2021	30.06.2020
(A) Cost	
Opening Balance	27,994,031,257
Add: Addition during the year	382,979,792
	<u>28,377,011,049</u>
Less: Disposal during the year	32,238,915
	<u>28,344,772,134</u>
(B) Accumulated depreciation	
Opening Balance	17,527,045,173
Add: Charged during the year	1,028,324,358
	<u>18,555,369,531</u>
Less: Adjustment for disposal	2,514,268
	<u>18,552,855,263</u>
(C) Written down value (A-B)	
	<u>9,791,916,871</u>
	<u>10,466,986,084</u>

Schedule of property, plant and equipment is given in **Annexure-A**.

IAS 1.54(a)

6. Capital work in progress

Opening balance	4,472,865,231	3,788,102,600
Add: Addition during the year	887,619,966	903,581,220
	<u>5,360,485,197</u>	<u>4,691,683,820</u>
Less: Capitalised to property, plant & equipment	146,744,268	218,818,589
	<u>5,213,740,929</u>	<u>4,472,865,231</u>

Capital work in progress includes:

Civil work in greater Titus franchise area	8,627,098	46,679,384
Prototype prepaid gas meter project	22,193,583	22,193,583
Domestic prepaid gas meter project	42,334,861	42,334,861
Installation of Pre Paid Gas Meter Project (JICA)	5,140,585,387	4,361,657,403
	<u>5,213,740,929</u>	<u>4,472,865,231</u>

IAS 1.54(b)
IAS 2.36(b)

7. Investments

Investment in FDR (Govt. Bank)	18,485,000,000	15,850,001,000
Investment in FDR (Scheduled Private Bank)	4,611,350,000	12,082,761,711
ICB Unit Certificate	709,814,117	709,814,117
Share of ICB Islami Bank Limited	2,556,350	1,745,800
	<u>23,808,720,467</u>	<u>28,644,322,628</u>

(Note: 7.1)

7.1 Investment in Listed Stock

Name of the Company	No. of Shares	Cost Value	Market Price Per Share as on 30.06.2021	Market Price at the end of the period	Unrealized profit/(loss) as on 30.06.2021
ICB Islamic Bank Limited	623,500	6,235,000	4.10	2,556,350	(810,550)

The share of ICB Islamic Bank (former Oriental Bank Ltd.) had been allotted in favour of the Company by the bank as per the Bangladesh Bank decision BRPD(R-1) 651/9(10)2007 date 02/08/2007 section 2(e) on dissolving their operation as Oriental Bank Ltd. against the balance of gas bill collection outstanding with them.

Break up of long term investment are against:

Customers' Security Deposit	22,141,350,000	20,857,748,521
Depreciation	-	6,090,000,000
General provident fund	874,480,187	919,481,687
Pension fund	790,333,930	775,346,620
Investment in share (ICB Islamic Bank Limited)	2,556,350	1,745,800
	<u>23,808,720,467</u>	<u>28,644,322,628</u>

IAS 1.54(b)

8. Inter-company loan

Loan to GTCL (Note: 8.1)
Loan to BAPEX (Note: 8.2)

Amount in Taka	
30.06.2021	30.06.2020
10,257,499,000	10,799,740,500
975,000,000	1,137,500,000
11,232,499,000	11,937,240,500

8.1 Loan to GTCL

Opening Balance
Add: Addition during the year (Note: 8.1.1)
Less: Repayment during the year (Note: 8.1.2)

10,799,740,500	8,477,832,000
-	2,673,300,000
10,799,740,500	11,151,132,000
542,241,500	351,391,500
10,257,499,000	10,799,740,500

As per the approval of Govt, a project of Gas Transmission Company Limited (GTCL) named "Biryani- Dhanua 36" diameter 138 kilometer Transmission Pipeline" completed at a cost Tk. 1,650.31 crores for which GTCL had financed Tk. 300.00 crore from own source and Petrobangla along with its other 6 enterprises had financed the rest amount of Tk. 1,350.31 crore with an interest of 2% per annum. As such, the Board of Petrobangla decided that TGTDCCL had to pay Tk. 378.00 crore and the board of TGTDCCL approved it. Accordingly the company had paid Tk. 378.00 crore. An amount of Tk. 26,60,85,000 had been refunded by GTCL due to not utilization of total fund therefrom. As per loan repayment schedule GTCL made repayment of Tk. 54,22,41,500.00 in FY 2020-21.

Further Ministry of Power, Energy & Mineral Resources decided that TITAS is to lend loan assistance, at 2% interest, Tk. 190.85 Crore for Anowara-Fouzderhat Transmission pipe line and Tk. 493.15 Crore for Moheshkhali-Anawra parallel Transmission pipe line and Tk. 150.00 Crore for Moheshkhali-Zero Point (Kaldiar Chor) Pipe Line project for Carrying imported LNG to National grid and the board of directors of the company approved it Accordingly. During the period 2019-20 being reported the company disbursed loans Tk. 167.33 crore for Moheshkhali- Anawra project and Tk. 100.00 crore for Moheshkhali-Zero Point (Kaldiar Chor) Pipe Line project. No new loan has been disbursed during the FY 2020-21.

8.1.1 Loan to GTCL (Addition during the year)

-	2,673,300,000
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8.1.2 Loan repaid by GTCL (Repayment during the year)

542,241,500	351,391,500
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8.2 Loan to BAPEX

Loan to BAPEX
Less: Repayment during the year (Note: 8.2.1)

1,137,500,000	1,300,000,000
162,500,000	162,500,000
975,000,000	1,137,500,000

As per the approval of Govt, a joint venture project of BAPEX with Santos to operate exploration activities in the Sea at ring faced area of Mognama is being implemented at a cost Tk.230.80 crore for which BAPEX will finance Tk.10.80 crore from own source and Petrobangla along with its other 5 enterprises will finance the rest amount of Tk.220 crore with an interest of 2% per annum. As such, the Board of Petrobangla decided that TGTDCCL had to pay Tk.130 crore which was approved in the board of TGTDCCL consequently. Accordingly the company had paid Tk.130 crore for implementing the joint venture project. As per loan repayment schedule BAPEX has repaid Tk.162,500,000 in FY 2020-21.

8.2.1 Loan re-payment made by BAPEX (Repayment during the year)

162,500,000	162,500,000
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IAS 1.54(b)

9. Loan to employees

Land and house building loan (Note: 9.1)
Motorcycle loan (Note: 9.2)
Computer loan (Note: 9.3)

3,070,398,267	3,145,963,614
75,720,985	67,611,464
2,631,603	3,562,581
3,148,750,855	3,217,137,659

The company grants loans to its staffs and officers for purchasing land/ constructing building/ purchasing flat/ purchasing motorcycle/ purchasing computer as per employee loan policy approved by the board. Installments of loan along with interest thereon are being deducted from monthly salary of the concerned employees regularly that results in no bad loan to the employees.

9.1 Land and house building loan

Opening balance
Add: Addition during the year
Less: Realized during the year

3,145,963,614	2,581,685,573
391,962,117	921,658,967
3,537,925,731	3,503,344,539
467,527,464	357,380,925
3,070,398,267	3,145,963,614

9.1.a Aging schedule

Category of Receivable	Dues over 90 days	Dues upto 31-90 days	Dues upto 30 days	Total
HB/ LP Loan	2,999,468,335	64,414,096	6,515,836	3,070,398,267
Motor cycle loan	74,761,953	511,900	447,132	75,720,985
Computer Loan	2,601,841	20,462	9,300	2,631,603
	3,076,832,129	64,946,458	6,972,268	3,148,750,855

Amount in Taka	
30.06.2021	30.06.2020

9.2 Motorcycle loan

Opening balance	67,611,464	67,607,939
Add: Addition during the year	30,845,941	19,012,327
	98,457,405	86,620,266
Less: Realized during the year	22,667,397	19,008,802
	75,790,008	67,611,464
Less: Adjustment during the year	69,023	-
	75,720,985	67,611,464

9.3 Computer loan

Opening balance	3,562,581	4,596,801
Add: Addition during the year	1,206,036	1,017,989
	4,768,617	5,614,790
Less: Realized during the year	2,206,037	2,052,209
	2,562,580	3,562,581
Less: Adjustment during the year	69,023	-
	2,631,603	3,562,581

IAS 1.54(b)

10. Inventories

IAS 2.36(b)

Inventories include gas line pipe, line pipe related fittings and spare parts.

1,772,973,544	1,848,970,963
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IAS 1.54(h)

11. Trade receivables less provision for bad and doubtful debt

Bulk customer	(Note: 11.1)	13,869,865,409	12,072,504,359
Non-bulk customer	(Note: 11.2)	52,169,448,231	54,879,542,443
		66,039,313,640	66,952,046,802
Less: Provision for bad & doubtful debts	(Note: 11.3)	8,278,436,985	8,278,436,985
		57,760,876,654	58,673,609,817

11.1 Bulk customer

Power (PDB)	3,502,739,954	3,476,069,464
Fertilizer	184,439,958	425,963,546
Power (Private)	10,182,685,497	8,170,471,349
	13,869,865,409	12,072,504,359

11.2 Non-bulk customer

Industrial	14,267,581,247	14,608,243,279
Captive Power	11,489,689,370	13,978,910,508
Feed Gas for CNG	5,188,013,205	5,168,845,552
Domestic	20,174,882,207	19,946,766,130
Commercial	1,004,015,740	1,131,510,513
Seasonal	45,266,462	45,266,462
	52,169,448,231	54,879,542,443



I. Debt considered good in respect of which the company is fully secured

Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. All types of customers except PDB and BCIC are required to deposit security as cash and bank guarantee for 03 months equivalent gas bills.

II. Debt considered good for which the company hold no security

Receivables from PDB and BCIC are unsecured but considered good.

III. Debt due by directors or other officers of the company

There is no such trade debtors due by or to directors or other officers of the Company.

IV. Debt considered doubtful or bad

Management considered the trade debtors are collectable except non-bulk customers and thus provision has been made of 5% on the increased non-bulk accounts receivable as per the resolution of 724th meeting of Board of Directors held on 27.10.2016.

V. The maximum amount due by directors or other officers of the company

There are no such debt in this respect as at 30 June 2021

The aging of above trade receivables as at the statement of financial position date was:

Past due 0-30 days	14,870,448,869	13,620,219,067
Past due 31-90 days	13,351,034,130	12,526,389,989
Past due more than 90 days	37,817,830,640	40,805,437,746
	66,039,313,640	66,952,046,802

Detailed aging schedule is given in Annexure-B.

Amount in Taka	
30.06.2021	30.06.2020

11.3 Provision for bad and doubtful debt

Opening balance	8,278,436,985	7,553,739,249
Add: Addition during the year	-	724,697,736
	8,278,436,985	8,278,436,985

As per the resolution of 724th meeting of Board of Directors held on 27.10.2016 provision for bad debt is made at the rate of 5% on the increased amount of non-bulk trade receivable during the period. There is no bad debt for the FY 2020-21 due to decrease of non-bulk receivable during the period.

IAS 1.77

12. Advance, deposit and prepayments

Advance	(Note: 12.1)	43,037,064,535	38,536,906,049
Deposit	(Note: 12.2)	42,933,553	32,240,437
Prepayments	(Note: 12.3)	24,660,569	16,838,679
		43,104,658,657	38,585,985,165

a) All the advances & deposits are considered goods and recoverable.

b) There is no amount due from directors of the company against advances.

12.1 Advances

Advance income tax	(Note: 12.1.1)	42,389,502,553	37,980,618,630
General advance		9,203,702	14,987,542
Uniform & Liveries		183,682,070	98,499,689
Incentive bonus advance		454,676,210	442,800,189
		43,037,064,535	38,536,906,049

The concerned officers are paid cash as general advances to meet up the emergency expenses, for payment of various regulatory fees, for repairing and maintenance of gas pipe lines etc. After the expenditure the advanced amounts are adjusted with the approval of proper authority.

Incentive bonus advance is paid to all the permanent employees of the company with the approval of board of directors against incentive bonus scheme provided by concerned Ministry in advance which is adjusted as accordance with the approval of Ministry of Finance afterward.

12.1.1 Advance income tax

Opening balance		37,980,618,630	34,022,516,102
Addition during the year (Deducted at source)	(Note: 12.1.2)	4,408,883,923	3,958,102,528
		42,389,502,553	37,980,618,630

12.1.2 Income tax paid (Addition during the year)

		4,408,883,923	3,958,102,528
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12.2 Deposits

Bangladesh Oxygen Limited (now Linde Bangladesh Ltd.)*
Power Development Board*
T&T Board*
Security Deposit to Meghna Petroleum Ltd., Dhaka*
ICB Securities Trading Co. Ltd.*
Other Security Deposits (City Corporation, Upazila Parishad)**

Amount in Taka	
30.06.2021	30.06.2020
24,000	24,000
28,000	28,000
158,000	158,000
1,000,000	1,000,000
10,000	10,000
41,713,553	31,020,437
42,933,553	32,240,437

* Deposits to Linde Bangladesh Ltd., Power Development Board, T&T Board, Meghna Petroleum Ltd. Dhaka and ICB Securities Trading Co. Ltd. will continue till the service is alive.

** A same amount of compensation for road cutting restoration is to be deposited to the authority as security deposit for getting the road cutting permission for the construction of new gas line or for repairing and maintenance works. After the completion of the work the security deposit amount is returned.

12.3 Prepayments

Insurance Premium
Ground Rent

24,560,569	16,158,467
100,000	680,212
24,660,569	16,838,679

Advance payment is made for insurance premium on the vehicles, buildings, pipelines, store used in the company which will be adjusted in the next year.

The aging of Advances, Deposits & Prepayments as at the statement of financial position date was as follows:

Past due 0-30 days
Past due 31-90 days
Past due 91-180 days
Past due more than 180 days

575,502,289	593,042,209
657,366,507	283,804,649
1,142,855,506	1,233,805,067
40,728,934,355	36,475,333,241
43,104,658,657	38,585,985,166

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act. 1994 stated below:

Advance, Deposit and Prepayments exceeding 6 months
Advance, Deposit and Prepayments not exceeding 6 months
Advance, Deposits and Prepayments considered Good
Advance, Deposits and Prepayments considered Good without Security
Advance, Deposits and Prepayments due by Other Officers (against Salary)

40,728,934,355	36,475,333,241
2,375,724,302	2,110,651,925
647,561,981	556,287,420
42,457,096,676	38,029,697,746
647,561,981	556,287,420

IAS 1.66

13. Group current accounts

Bakhrabad Gas Distribution Co. Ltd. (For line rent)
Bakhrabad Gas Distribution Co.
Gas Transmission Co. Ltd.
Pashchimanchol Gas Co. Ltd.
Jalalabad Gas T & D Systems Ltd. (For line rent)
Jalalabad Gas T & D Systems Ltd.
Karnafuli Gas Distribution Co. Ltd.
Maddhapara Granite Mining
Bangladesh Gas Fields Co. Ltd.
Barapukuria Coal Mines

358,628,242	178,706,796
13,345,864	15,210,638
19,338,649	177,280,215
12,182,847	11,207,943
4,910,912	11,103,657
8,720,228	-
8,911,684	7,304,774
7,994	475,058
28,551	28,551
-	3,652
426,074,971	401,321,282



		Amount in Taka	
		30.06.2021	30.06.2020
IAS 1.66	14. Other current assets		
	Interest receivable on investment of GPF	32,160,192	28,463,904
	Receivable from ex-employees	813,812	813,812
	Recoverable from employees against Income Tax	150,183	173,022
	Other receivables (From RPGCL, UCBL-KB & others)	13,467,814	78,748,138
	Compensation receivable from Mohakhali Flyover authority	7,695,400	7,695,400
	Store in transit	93,354,948	79,533,430
	Interest receivable on FDR	581,183,995	1,242,562,736
	Receivable from encashment of FDR	586,137,948	606,137,948
	Receivable against recharging of prepaid gas meter	82,147,923	148,758,178
	Receivable from Grameen Phone (GP) against bill collection	-	181,716,881
	Loan to employees against general provident fund	72,250,178	77,607,218
	Mobile Financial service	3,751,237	
	Prepaid to Petrobangla for Feasibility Study to Establish Land Base LNG	328,200,000	
		1,801,313,630	2,452,210,667
IAS 7.45	15. Cash and cash equivalents		
	Cash in hand	1,572,928	2,000,851
	Cash at bank	22,460,388,010	19,893,358,264
		22,461,960,938	19,895,359,114
	16. Share capital		
IAS 1.79 (a),(i)	Authorized capital		
	2,000,000,000 ordinary shares of Taka 10 each	20,000,000,000	20,000,000,000
ias 1.79 (a),(ii)	Issued, subscribed and paid up capital		
	989,221,831 ordinary shares of Taka 10 each	9,892,218,310	9,892,218,310
	These shares are listed with Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited and quoted at Tk. 35.80 per share as on 30 June 2021 in both stock exchanges.		



Amount in Taka	
30.06.2021	30.06.2020

16.1 A distribution schedule of the above shares is given below:

Name of shareholders	% of Holding	No. of shares		Amount in Taka	
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
Petrobangla	75.00%	741,916,371	741,916,371	7,419,163,710	7,419,163,710
Investment Corporation of Bangladesh	3.84%	38,033,580	32,619,602	380,335,800	326,196,020
Investment Corporation of Bangladesh - Unit Fund	1.53%	15,113,312	15,113,312	151,133,120	151,133,120
Institutions	10.06%	99,512,781	112,589,143	995,127,810	1,125,891,430
General shareholders	9.57%	94,645,787	86,983,403	946,457,870	869,834,030
Total	100%	989,221,831	989,221,831	9,892,218,310	9,892,218,310

16.2 Classification of shares by holding at 30 June 2021

Slabs by number of shares	No. of Shares		% of Holding	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
Up to 500 Shares	5,460	5,276	34.26%	35.16%
501 to 5,000 Shares	7,902	7,298	49.58%	48.64%
5,001 to 10,000 Shares	1,148	1,115	7.20%	7.43%
10,001 to 20,000 Shares	654	601	4.10%	4.01%
20,001 to 30,000 Shares	220	203	1.38%	1.35%
30,001 to 40,000 Shares	105	90	0.66%	0.60%
40,001 to 50,000 Shares	85	67	0.53%	0.45%
50,001 to 100,000 Shares	152	141	0.95%	0.94%
100,001 to 1,000,000 Shares	169	172	1.06%	1.15%
Over 1,000,000 Shares	44	41	0.28%	0.27%
Total	15,939	15,004	100%	100%

17. Share money deposit

Opening balance	1,784,948,408	1,512,137,270
Add: Received during the year	272,970,070	274,276,910
	2,057,918,478	1,786,414,179
Less: Refund during the year	-	1,465,771
	2,057,918,478	1,784,948,408

It represents the amount released time to time as per the policy by the Government of People's Republic of Bangladesh within the loans granted from ADP for development works/projects to be kept as its equity. If unspent amount of those loans for any project is refundable to the GoB, the proportionate amount of share money deposit is to be refunded as well.

Project wise breakup of share money deposit:

Installation of Prepaid Gas Meter Project	1,995,580,213	1,722,610,144
System Loss Reduction Project	36,695,372	36,695,372
Supply Efficiency Improvement project	24,987,013	24,987,013
Dhaka Clean Fuel Project	655,879	655,879
	2,057,918,478	1,784,948,408

17.1 Share money deposit received during the year

	272,970,070	274,276,910
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IAS 1.54(r)

18. Reserve fund

Hydrocarbon Development Fund*	745,909,725	745,909,725
General Reserve	62,648,827	62,648,827
Other Capital Reserve	4,757,989	4,757,989
Reserve for revaluation of share	(3,678,650)	(4,489,200)
	809,637,891	808,827,341

***Hydrocarbon Development Fund**

Hydrocarbon Development Fund (HDF) was maintained by keeping 2.50% of revenue on end user prices till November 1998 for meeting future development expenditure as per the instruction of Petrobangla. Onwards the amount from the funds were used till 30 June 2007 as per the order of Petrobangla.

		Amount in Taka	
		30.06.2021	30.06.2020
IAS 1.106 (b),(d)	19. Retained Earnings		
	Opening Balance	58,135,670,415	57,109,583,673
	Add: Net profit for the year	3,459,753,606	3,598,063,503
	Less: Cash dividend paid for the year	<u>61,595,424,021</u>	<u>60,707,647,176</u>
		2,571,976,761	2,571,976,761
		<u>59,023,447,260</u>	<u>58,135,670,415</u>
	As per IAS-1 Account title name "Retained Earnings" shown in balance sheet which was previously presented as "Revenue Reserve".		

IFRS 7.8 (f)	20. Long term loans net of current maturity		
	ADP loan	(Note: 20.1) 332,519,744	330,924,177
	Foreign loan	(Note: 20.3) 2,894,295,313	2,573,065,854
		<u>3,226,815,057</u>	<u>2,903,990,031</u>

IAS 1.609(b)	Current portion of loans and other borrowings		
	ADP Loan	(Note: 20.2) 4,351,456	4,351,455
	Foreign Loan	(Note: 20.4) 82,437,925	82,389,375
		<u>86,789,381</u>	<u>86,740,830</u>

20.1 ADP loan

Non-current portion of ADP Loans

Opening balance	330,924,177	291,274,290
Add: Addition during the year	5,947,023	46,200,000
	<u>336,871,200</u>	<u>337,474,290</u>
Less: Refund during the year	-	2,198,658
Less: Current portion of loans	4,351,456	4,351,455
	<u>332,519,744</u>	<u>330,924,177</u>

The above fund was provided by GOB as ADP loan for implementation of Installation of Prepaid Gas Meter.

20.2 Current portion of loans and other borrowings

ADP Loan	<u>4,351,456</u>	<u>4,351,455</u>
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20.3 Foreign loan

Non-current portion of foreign loan

	Principle	Exchange Rate Fluctuation	30.06.2021 Taka	30.06.2020 Taka
Opening balance	2,520,611,423	52,454,431	2,573,065,854	2,288,784,896
Add: Additions during the year	403,508,081	159,303	403,667,384	366,670,333
	<u>2,924,119,504</u>	<u>52,613,734</u>	<u>2,976,733,238</u>	<u>2,655,455,229</u>
Less: Current portion of loans	60,509,016	21,928,909	82,437,925	82,389,375
	<u>2,863,610,488</u>	<u>30,684,825</u>	<u>2,894,295,313</u>	<u>2,573,065,854</u>

20.4 Current portion of foreign loan & other borrowings

	Principle	Exchange Rate Fluctuation	30.06.2021 Taka	30.06.2020 Taka
Opening balance	60,509,016	21,880,359	82,389,375	82,049,525
Addition during the year	60,509,016	21,928,909	82,437,925	82,389,375
	<u>121,018,032</u>	<u>43,809,268</u>	<u>164,827,300</u>	<u>164,438,900</u>
Less: Paid during the year	60,509,016	21,880,359	82,389,375	82,049,525
	<u>60,509,016</u>	<u>21,928,909</u>	<u>82,437,925</u>	<u>82,389,375</u>

It represents Loan received from Asian Development Bank (ADB) & OECF against different development projects. Loan wise foreign unsecured loans inclusive of exchange rate fluctuation (ERF).



Amount in Taka	
30.06.2021	30.06.2020

Name of Loan Provider and Contract No.	Particulars	Rate of Interest	(Amount in Taka)	
			30.06.2021	30.06.2020
ADB loan no. 1943 (DCF)	Sanction amount: 5,668 lakh Repayment Period: 15 Years End Year: 2021-22	5%	-	56,001,000
ADB loan no. 2188 & 2189 BAN (SLRP)	Sanction amount: 1,364 lakh Repayment Period: 15 Years End Year: 2025-26	5%	99,154,675	115,612,327
ADB loan no 2623 BAN(SEIP)	Sanction amount: 1,090 lakh Repayment Period: 15 Years End Year: 2025-26	5%	88,903,314	104,946,924
JICA BD-P78 (EPGMP) 54249	Sanction amount: 11,113 lakh Repayment Period: 20 Years End Year: 2042-43	1%	2,706,237,323	2,296,505,604
Total			2,894,295,312	2,573,065,854

21. Deferred tax liability

Opening Balance	1,112,618,020	1,172,854,085
Addition during the year	(142,165,715)	(60,236,065)
	970,452,305	1,112,618,020

**30.06.2021
Taka**

Carrying Amount	Tax Base	Taxable Temporary Difference
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Property, Plant and Equipment	8,159,583,950	3,846,462,596	4,313,121,354
		-	-
			4,313,121,354
Applicable tax rate			22.5%
Deferred tax liability as on 30 June 2021			970,452,305
Deferred tax liability as on 30.06.2021			970,452,305
Deferred tax liability as on 30.06.2020			1,112,618,020
Deferred tax (income)/expense for the year ended 30 June 2021			(142,165,715)

**30.06.2020
Taka**

Carrying Amount	Tax Base	Taxable Temporary Difference
-----------------	----------	------------------------------

Property, Plant and Equipment	8,837,222,528	4,386,750,448	4,450,472,080
Applicable tax rate			25%
Deferred tax liability as on 30 June 2020			1,112,618,020
Deferred tax liability as on 30.06.2020			1,112,618,020
Deferred tax liability as on 30.06.2019			1,172,854,085
Deferred tax (income)/expense for the year ended 30 June 2020			(60,236,065)

Depreciation Schedule of Fixed Assets for the Assessment Year: 2020-2021 (As per Tax Authority) is given in **Annexure-D**.



		Amount in Taka	
		30.06.2021	30.06.2020
22. Retirement benefit obligations			
Pension Fund	(Note: 22.1)	1,311,849,026	1,020,423,308
Gratuity Fund	(Note: 22.2)	15,121,759	14,374,839
General Provident Fund	(Note: 22.3)	1,077,591,138	1,001,897,161
		2,404,561,924	2,036,695,309
22.1 Pension fund			
Opening balance		1,020,423,308	652,638,544
Add: Company's contribution during the year		851,293,425	830,287,726
Return on investment		57,615,715	30,368,673
		1,929,332,448	1,513,294,943
Less: Adjustment during the year		-	76,172,236
		1,929,332,448	1,437,122,707
Less: Payment made during the year		617,483,422	416,699,399
		1,311,849,026	1,020,423,308
22.2 Gratuity fund			
Opening balance		14,374,839	13,215,819
Add: Company's contribution during the year		746,920	1,252,980
		15,121,759	14,468,799
Less: Payment made during the year	(Note: 22.2.1)	-	93,960
		15,121,759	14,374,839
22.2.1 Gratuity fund (Payment during the year)		-	93,960
22.3 General provident fund			
Opening balance		1,001,897,161	882,214,556
Add: Employees' contribution during the year		70,986,921	73,779,865
Return on investment		94,833,970	96,853,275
		1,167,718,052	1,052,847,696
Payment made during the year		90,126,914	50,950,535
		1,077,591,138	1,001,897,161
<p>(a) This fund has been accumulated by employee's contribution and operated by a Trustee. A separate account is being maintained by the Trustee.</p> <p>(b) The Sum of Tk. 874,480,187 has been invested in FDR and ICB unit certificate.</p>			
23. Leave pay			
Opening balance		193,120,115	190,744,911
Add: Addition during the year		57,088,031	58,949,865
Adjustment during the year		282,313	216,186
		250,490,459	249,910,963
Less: Payment made during the year	(Note: 23.1)	98,576,637	56,790,847
		151,913,822	193,120,115
23.1 Leave pay (Payment made during the year)		98,576,637	56,790,847
24. Customers' security deposits			
Domestic		3,776,574,233	3,737,411,051
Commercial		832,104,221	792,270,966
Industrial		8,436,578,317	7,820,303,789
Captive Power		7,947,757,705	7,206,913,845
Feed gas for CNG		342,714,566	265,815,859
Seasonal		132,235	132,235
Power (Private)		1,473,987,876	1,036,342,065
		22,809,849,154	20,859,189,810

This amount represents deposits by the customers as security against gas connection as required under Gas Marketing Policy 2014 shown as long-term liabilities. Such deposits are not payable till gas supply to the customers continues. However total sum of Tk. 22,141,350,000 has been invested in FDR with banks.

IAS 1:77

25. Trade payables

		Amount in Taka	
		30.06.2021	30.06.2020
Liabilities for gas production charge	(Note: 25.1)	6,007,627,155	12,828,066,428
Liabilities for transmission charges	(Note: 25.2)	1,632,432,199	2,897,497,499
Liability for Price Deficit Fund (PDF)	(Note: 25.3)	325,499,450	325,499,450
Liability for BAPEX margin	(Note: 25.4)	12,175,242	12,175,242
Deficit Wellhead Margin Fund for BAPEX (DWMFB)	(Note: 25.5)	12,240,586	12,240,586
Gas Development Fund (GDF)	(Note: 25.6)	1,907,210,102	3,125,060,785
Support for Shortfall	(Note: 25.7)	111,829,261	111,829,261
Liabilities for net charges for LNG	(Note: 25.8)	17,579,138,001	14,280,010,870
Liabilities for R-LNG Operational Charge (RPGCL)	(Note: 25.9)	39,496,079	93,716,077
Liabilities for VAT (GDF)	(Note: 25.10)	190,073,574	354,316,846
Liabilities for VAT	(Note: 25.11)	4,083,883,382	7,654,170,501
Provision for dispute of gas purchase volume	(Note: 25.12)	10,066,991,735	4,910,557,130
Energy Security Fund (ESF)	(Note: 25.13)	1,920,861,738	2,997,140,759
		43,889,458,504	49,602,281,434

Gas price for the end users of different categories is determined and fixed by BERC (Bangladesh Energy Regulatory Commission) with its order declared and gazette times to times latest by order# 2019/02 dated 30/06/2019. This end user price, other than the charges for distribution of gas, is allocated among various component as mentioned above namely cost for gas production (well head margin), cost for transmission, Charges for VAT, Charges for various funds raised under Govt. policies made for future developments/contingencies etc. treated as trade payable.

The Company collects the total end user price from its customers against gas supplied and reimburses the amount for other component of the gas price to the related party namely Petrobangla, BGFCL, BAPEX, GTCL keeping with itself the distribution margin only, which is the Company's basic income.

25.1 Liabilities for gas production charge

Opening balance	12,828,066,428	9,372,615,075
Add: Addition during the year	27,343,707,698	25,758,407,226
	40,171,774,126	35,131,022,301
Less: Paid during the year	34,164,146,971	22,302,955,873
	6,007,627,155	12,828,066,428

It consists of the amount payable for wellhead margin to national gas producing companies namely BGFCL & BAPEX along with the Petrobangla margin charge and net gas charges for International Oil Company's' (IOC) production payable to BOGMC as per the order of BERC.

Company wise break-up is as follows :

Bangladesh Gas Fields Company Ltd.	745,412,033	1,443,745,133
BOGMC (IOC Net Charge & Petrobangla Charge)	4,987,239,432	10,940,310,131
Bangladesh Petroleum Exploration & Production Co. Ltd.	274,975,690	444,011,164
	6,007,627,155	12,828,066,428

25.2 Liabilities for Transmission Charges (GTCL)

Opening balance	2,897,497,499	1,668,373,968
Add: Addition during the year	5,884,760,493	5,741,118,648
	8,782,257,992	7,409,492,616
Less: Paid during the year	7,149,825,793	4,511,995,117
	1,632,432,199	2,897,497,499

It represents the amount payable to Gas Transmission Company Ltd. (GTCL) for the gas transmitted to Titas distribution system by their transmission line calculated with the transmission charge component of gas price fixed by BERC order.

25.3 Liability for Price Deficit Fund (PDF)

Opening balance	325,499,450	325,499,450
Add: Addition during the year	-	-
	325,499,450	325,499,450
Less: Paid during the year	-	-
	325,499,450	325,499,450

Price Deficit Fund (PDF) is payable to Petrobangla and had been created with effect from 1st December 1998 as per order no. 15-1(Gas)/92(Vol.-2)/330 dated 29.08.1999 of the Ministry of Energy & Mineral Resources with a view to covering the possible deficit, if arises, in payment of gas bills in foreign exchange against cost of gas purchased from International Oil Companies (IOC) under Production Sharing Contract. PDF was dropped off from 18/09/2018 by BERC's order # 2018/03.

Amount in Taka	
30.06.2021	30.06.2020
25.4 Liabilities for BAPEX Margin	
Opening balance	12,175,242
Add: Addition during the year	-
	12,175,242
Less: Paid during the year	-
	12,175,242

It represents the amount payable to Petrobangla as a contribution to Bangladesh Petroleum Exploration & Production Company Ltd. (BAPEX). Bapex margin was dropped off from 18/09/2018 by BEREC's order# 2018/03.

25.5 Deficit Wellhead Margin Fund for BAPEX (DWMFB)

Opening balance	12,240,586	12,240,586
Add: Addition during the year	-	-
	12,240,586	12,240,586
Less: Paid during the year	-	-
	12,240,586	12,240,586

DWMFB was created with effect from 1st July 2008 as per order No. স্বাধসবি/উন্নয়ন-৩/বঙ্গপ্রজাতিবিধ-১৯/২০০৫ (অংশ)-১৩ dated 04 January 2009 of the Ministry of Energy & Mineral Resources with a view to making payment for incremental wellhead margin for BAPEX and was payable to BOGMC. DWMFB was dropped off from 18/09/2018 by BEREC Order# 2018/03.

25.6 Gas Development Fund (GDF)

Opening balance	3,125,060,785	3,504,091,659
Add: Addition during the year	6,770,668,963	6,250,463,752
	9,895,729,748	9,754,555,411
Less: Adjustment for VAT (GDF part)	-	818,493,018
Less: Paid during the year	7,988,519,646	5,811,001,608
	1,907,210,102	3,125,060,785

Gas Development Fund (GDF) has been created by the order of BEREC (Order no. 2009/8) with effect from Aug-09, re-fixed by BEREC's latest Order# 2019/02 dated 30/06/2019 to provide necessary fund against risky exploration and overall development of Gas Sector and is payable to Petrobangla.

25.7 Support for Shortfall

Opening balance	111,829,261	111,829,261
Add: Addition during the year	-	-
	111,829,261	111,829,261
Less: Paid during the year	-	-
	111,829,261	111,829,261

Bangladesh Energy Regulatory Commission (BEREC) had re-fixed the end user price of gas and had introduced a new component name "Support for Shortfall" from 1 March 2017 by issuing an order (BEREC Order # 2017/02, Date : 23 February 2017) making it payable to Petrobangla was dropped off from 18/09/2018 by BEREC's order# 2018/03.

25.8 Liabilities for net charges for LNG

Opening balance	14,280,010,870	17,689,914,802
Add: Addition during the year	102,135,557,081	96,137,221,653
	116,415,567,951	113,827,136,455
Less: Paid during the year	98,836,429,950	99,547,125,585
	17,579,138,001	14,280,010,870

LNG Charge is payable to Petrobangla which is incorporated in the gas price as a new component by BEREC's order # 2018/03 dated 16/10/2018, re-fixed by BEREC's latest Order # 2019/02 dated 30/06/2019 to be calculated with the (customer category wise) rate fixed thereby on the total volume of gas transmitted to Titas system, deducting the R-LNG operational charge to RPGCL, to pay the price of imported LNG (Liquefied Natural Gas) by Petrobangla.

25.9 Liabilities for R-LNG Operational Charge (RPGCL)

	Amount in Taka	
	30.06.2021	30.06.2020
Opening balance	93,716,077	26,438,070
Add: Addition during the year	87,364,522	67,278,007
	181,080,599	93,716,077
Less: Paid during the year	141,584,520	-
	39,496,079	93,716,077

R-LNG (Regasified Liquefied Natural Gas) operational charge is payable to RPGCL (Rupantarita Praktitik Gas Co. Ltd.) for regasifying imported LNG which is incorporated newly by BERC's order # 2018/03 dated 16/10/2018, re-fixed by BERC's latest Order# 2019/02 dated 30/06/2019 to be calculated with the rate fixed thereby on the volume of R-LNG transmitted to Titas system.

25.10 Liabilities for VAT (GDF)

Opening balance (Adjusted with GDF)	354,316,846	818,493,019
Add: Addition during the year	745,721,640	784,190,922
	1,100,038,486	1,602,683,941
Less: Adjustment	-	4,951,602
	1,100,038,486	1,597,732,339
Less: Paid during the year	909,964,912	1,243,415,493
	190,073,574	354,316,846

VAT (GDF) is a part of the total VAT calculated on GDF in the end user price of gas and payable to the national gas production companies for the supply of gas from their fields and to Petrobangla for the supply of gas from IOCs' fields' and imported LNG had been incorporated by BERC's order # 2018/03 dated 16/10/2018, re-fixed by BERC's latest Order# 2019/02 dated 30/06/2019.

25.11 Liabilities for VAT

Opening balance	7,654,170,501	3,380,008,823
Add: Addition during the year	16,273,406,856	16,991,258,533
	23,927,577,357	20,371,267,356
Less: Paid during the year	19,843,693,975	12,717,096,855
	4,083,883,382	7,654,170,501

VAT Charge (exclusive of VAT on GDF) is payable to Petrobangla had been incorporated in the gas price by BERC's order# 2018/03 dated 16/10/2018, re-fixed by BERC's latest Order # 2019/02 dated 30/06/2019 to be calculated on the total volume of gas transmitted to Titas system.

25.12 Provision for dispute of gas purchase volume

Opening balance	4,910,557,130	-
Add: Addition during the year	5,156,434,605	4,910,557,130
	10,066,991,735	4,910,557,130
Less: Paid during the year	-	-
	10,066,991,735	4,910,557,130

A provision of 3% on the total cost of sales is made for future conservatism as a dispute arises in determining the volume of gas transmitted to Titas distribution network through the transmission lines of GTCL (Gas Transmission Company Limited) since GTCL had not been making proper metering and count of supply at all the points of gas transmitted.

25.13 Energy Security Fund (ESF)

Opening balance	2,997,140,759	3,384,986,843
Add: Addition during the year	7,483,531,664	7,049,693,394
Interest income	-	190,770
	10,480,672,423	10,434,871,007
Less: Paid during the year	8,559,810,685	7,437,730,248
	1,920,861,738	2,997,140,759

Energy Security Fund (ESF), an other component of end user gas price had been created from 1 September 2015 by an order of Bangladesh Energy Regulatory Commission (BERC Order# 2015/09, dated 27 August 2015) and re-fixed by BERC's latest Order# 2019/02 dated 30/06/2019 is payable to Bangladesh Oil, Gas and Mineral Resource Corporation (Petrobangla).

Aging of the above Liabilities is given below:

Past due 0-30 days	15,141,098,693	17,209,901,682
Past due 31-90 days	18,249,101,296	14,075,268,496
Past due over 91 days	10,499,258,514	18,317,111,257
	43,889,458,503	49,602,281,434

All the trade Liabilities are regular in payments.

		Amount in Taka	
		30.06.2021	30.06.2020
IAS1.69	26. Group Current Accounts		
	Bangladesh Petroleum Exploration & Production Co. Ltd.	28,394,392	22,686,892
	Sylhet Gas Fields Limited	142,432	142,432
	Barapukuria Coal Mining Co. Ltd.	9,628	-
	Jalalabad Gas T & D Systems Ltd.	-	331,598
	Rupantarita Prakritik Gas Co. Ltd.	305,865	304,855
	Bangladesh Oil, Gas & Mineral Corporation- (Petrobangla)	575,139,976	579,029,154
	Sundarban Gas Distribution Company Ltd	220,981,694	41,101,814
		824,973,987	643,596,745

IAS 1.104	27. Workers' Profit Participation Fund (WPPF) and Welfare Fund (WF) payable		
	Opening balance	266,713,626	233,997,409
	Add: Addition during the year	227,973,420	265,583,786
		494,687,046	499,581,195
	Less: Payment during the year	(Note: 27.1) 343,586,614	232,867,569
		151,100,432	266,713,626

The Company makes a regular allocation of 5% on profit before tax to this fund and payment is made to the workers as per provision of The Bangladesh Labour Act, 2006 (Amended in 2013) Chapter -15 and Workers' Profit Participation Act, 1968.

27.1 Payment for WPPF during the year	343,586,614	232,867,569
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IAS 12.47	28. Provision for Income Tax		
	Opening balance	30,177,670,929	28,669,406,438
	Add: Addition during the year	1,013,907,082	1,508,264,490
		31,191,578,011	30,177,670,929

i) Computation of total taxable income and tax liability during the year is given in Annexure- C.

Statement of litigations with National Board of Revenue (NBR) regarding income tax dispute for last ten years is:

(Figures in Crore)

Sl. #	Income Year	Assessment Year	Tax Provision (Taka)	Tax Demand (Taka)	Tax Paid (Taka)	Current Status
1	2010-11	2011-12	315.39	306.38	306.38	Finalized by u/s 173.
2	2011-12	2012-13	309.95	305.75	305.75	Finalized by ADR and u/s 173.
3	2012-13	2013-14	316.90	408.16	297.56	A reference application is filed in the Honourable High Court.
4	2013-14	2014-15	352.95	-	324.84	Assessment order not received.
5	2014-15	2015-16	321.51	321.51	308.24	A reference application is filed in the Honourable High Court.
6	2015-16	2016-17	240.63	322.57	323.90	Tribunal Hearing is pending.
7	2016-17	2017-18	174.49	(142.54)	327.17	Tribunal Hearing is pending.
8	2017-18*	2018-19	114.20	1,689.65	342.89	Set aside for DCT (Tribunal order)
9	2018-19	2019-20	162.17	541.33	362.59	Appeal hearing is pending.
10	2019-20	2020-2021	144.80	-	395.81	Return submitted/hearing is on process.
	Total		2,452.99	3,752.81	3,295.13	

*LTU-NBR disallowed various items of cost of sales as non business expenses u/s 29 of ITO 1984.



IAS 1.70 29. Liabilities for Expenses

	Amount in Taka	
	30.06.2021	30.06.2020
Accruals & provisions	1,055,844,855	973,979,236
Payable to govt., customers, contractors & employees	76,837,033	62,734,146
Other creditors	216,265,115	240,138,029
Payable against jobs for third parties for pipeline construction	264,142,625	388,013,947
Dividend payable	8,480,126	149,583,760
Interest payable on foreign loans	76,598,965	49,892,525
Payable to other companies against salary accounts	4,023,935	5,568,773
Payable to other companies against salary accounts	635,582	355,636
Payable against jobs for third parties for replacement pipeline & others	1,186,341,485	221,338,360
Proceed of fraction bonus share	-	119,252
Unclaimed dividend	143,602,277	4,121
	3,032,771,998	2,091,727,785

Note : 29.1

29.1 As per Directive from Bangladesh Securities & Exchange Commission Directive No. BSEC/CMRRCD/ 2021-386/03, Dated : 14 January 2021, Section No-(vii) Year-Wise Summary of Dividend Schedule upto FY 2020-21 as on 30.06.2021 is given below :

SL No	Dividend Year	Amount in Taka
		30.06.2021
1	2007-08	5,514,523
2	2008-09	1,708,571
3	2009-10	16,314,261
4	2010-2011	23,383,509
5	2011-2012	44,280,812
6	2012-2013	11,075,605
7	2013-2014	14,361,388
8	2014-2015	3,035,379
9	2015-2016	8,368,864
10	2016-2017	4,014,233
11	2017-2018	5,288,345
12	2018-2019	6,256,788
	Total	143,602,277



IAS 1.82(a)
IFRS-15.31

30. Revenue

Gas Sales Revenue (Note: 30.1)
Operational Income (Note: 30.2)

Amount in Taka	
2020-2021	2019-2020
171,880,715,685	163,751,583,034
6,781,622,345	6,127,806,297
178,662,338,030	169,879,389,331

30.1 Gas Sales Revenue

Power (PDB)
Power (Private)
Fertilizer
Industrial
Captive Power
Feed Gas for CNG
Domestic
Commercial

6,652,716,699	7,947,146,252
19,590,087,689	19,507,934,586
1,663,196,471	1,140,233,063
42,645,956,799	37,029,192,938
50,213,348,999	44,703,901,668
18,741,466,047	20,175,464,033
30,546,125,319	31,153,544,777
1,827,817,662	2,094,165,718
171,880,715,685	163,751,583,034

Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2021 as required under Schedule XI, Part-II of the Companies Act 1994 is given:

Particulars	01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
	MMCM	Amount (Tk)	MMCM	Amount (Tk)
Power (PDB)	1,898	6,652,716,699	2,226	7,947,146,252
Power (Private)	1,689	19,590,087,689	1,746	19,507,934,586
Fertilizer	374	1,663,196,471	256	1,140,233,063
Industrial	4,244	42,645,956,799	3,679	37,029,192,938
Captive Power	4,579	50,213,348,999	4,105	44,703,901,668
Feed Gas for CNG	522	18,741,466,047	570	20,175,464,033
Domestic	2,475	30,546,125,319	2,435	31,153,544,777
Commercial	77	1,827,817,662	91	2,094,165,718
Total	15,858	171,880,715,685	15,108	163,751,583,034

30.2 Operational Income

Meter rent
Higher heating charge
Connection & reconnection charges
Late payment penalties
Gas sales (Domestic) for Illegal use
Gas connection commission fees
Penalties for Illegal use by metered customers
Profit from sale of stores
Gas transmission income
Demand charge

411,735,317	368,446,482
1,575,678,449	1,559,988,073
10,143,566	8,540,823
2,030,495,794	1,508,373,905
32,006,653	6,407,536
241,074	398,983
5,813,238	4,420,392
117,622,921	82,012,101
183,827,853	273,277,382
2,414,057,480	2,315,940,620
6,781,622,345	6,127,806,297



IAS 1.103 **31. Cost of Sales**

		Amount in Taka	
		2020-2021	2019-2020
Gas Production Charge	(Note: 31.1)	27,343,707,698	25,758,407,226
Gas Transmission Charge	(Note: 31.2)	5,884,760,493	5,741,118,648
Gas Development Charge		6,770,668,963	6,250,463,752
Energy Security Fund (ESF) Charge		7,483,531,664	7,049,693,394
LNG Operational Charge-RPGLC		87,364,522	67,278,007
LNG Charge-BOGMC(PB)		102,135,557,081	96,137,221,653
VAT for Gas Purchase		16,273,406,856	16,991,258,533
VAT for Gas Development Fund		745,721,640	779,239,320
Cost for dispute of gas purchase volume		5,156,434,605	4,910,557,130
		171,881,153,522	163,685,237,663

Quantity wise schedule of sales relating to the financial statements for the year ended 30 June 2021 as required under Schedule XI, Part-II of the Companies Act 1994 is given:

Particulars	01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
	MMCM	Amount (Tk)	MMCM	Amount (Tk)
Power (PDB)	1,938	7,875,094,755	2,272	9,232,815,733
Power (Private)	1,724	7,007,962,316	1,782	7,241,927,422
Fertilizer	382	1,551,393,519	262	1,064,649,299
Industrial	4,331	41,755,016,765	3,754	36,723,348,498
Captive Power	4,673	58,253,397,573	4,189	52,834,636,765
Feed Gas for CNG	532	18,104,750,682	582	19,734,710,758
Domestic	2,525	30,434,561,731	2,484	29,893,140,250
Commercial	79	1,742,541,576	92	2,049,451,808
Cost for dispute of gas purchases volume	-	5,156,434,605	-	4,910,557,130
Total	16,184	171,881,153,522	15,417	163,685,237,663

31.1 Gas Production Charge

Production charge consists of wellhead margin for national gas fields, Petrobangla charge for BOGMC and net charge for IOCs' gas as per BERC order# 2019/2 dated 30/06/2019. Segment wise Production charge is as follows:

Wellhead margin for BGFLC	3,029,110,115	3,074,870,073
Wellhead margin for BAPEX	972,141,829	894,508,092
Petrobangla Charge for BOGMC	877,010,134	833,652,112
Net charges for IOC gas	22,465,445,620	20,955,376,949
	27,343,707,698	25,758,407,226

Disclosure as per requirement of Schedule XI, Part II, Para 8 of the Companies Act 1994:

Particulars	01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
	MMCM	Amount (Tk)	MMCM	Amount (Tk)
Petrobangla (IOC & LNG)	11,501	23,342,455,754	10,688	21,789,029,061
BGFLC	4,355	3,029,110,115	4,427	3,074,870,073
BAPEX	326	972,141,829	301	894,508,092
Total	16,182	27,343,707,698	15,417	25,758,407,226

As Titas Gas Transmission and Distribution Company Limited is a service oriented company engaged in transmission and distribution of natural gas. As the Company is not performing production activities it could not provide disclosures in its financial statements required under Schedule XI, Part II, Para 7 of the Companies Act 1994.

31.2 Gas Transmission Charge

Gas transmission cost	5,884,760,493	5,741,118,648
	5,884,760,493	5,741,118,648

Gas transmission charge includes charges for gas transmitted by Gas Transmission Company Ltd. (GTCL) through its transmission pipeline;



		Amount in Taka	
		2020-2021	2019-2020
IAS 1.97	32. Administrative Expenses		
	Salary and allowance	2,895,887,857	2,866,769,763
	MD's remuneration	2,121,353	1,291,194
	Professional services	29,095,343	32,951,748
	Audit fees	1,039,025	738,000
	Promotional costs	3,896,874	13,233,786
	Power costs	29,292,800	25,556,294
	Communication costs	7,054,578	5,263,222
	Transport costs	135,380,834	127,278,623
	Occupancy costs	145,223,796	142,398,052
	Administrative costs	112,663,371	121,485,233
	Miscellaneous costs	209,335,719	39,945,434
	Financial charges	22,318,605	24,672,353
	Bad & doubtful debts provision	-	724,697,736
	Depreciation charges	1,028,324,358	986,827,923
	Unrealised foreign exchange loss	159,303	1,454,969
		4,621,793,816	5,114,564,330
	32.1 Unrealised foreign exchange loss	159,303	1,454,969
IAS 1.97	33. Transmission & Distribution expenses	193,289,982	76,447,647

Transmission & distribution expenses include repair and maintenance of property, plant & equipment, transmission and distribution gas pipeline, disconnection & reduction of system loss, publicity of reduction of system loss and operational advertisement.

34. Other Operating Income

Other penalties & fines received	7,060,895	4,394,864
Sale of bill books & application forms	152,655	295,007
House rent income & recoveries	-	1,078,625
Income from Consultancy Service	29,962,777	10,228,358
Testing charges from suppliers	225,807	78,832
Transport income	290,350	581,558
Profit on disposal of fixed assets	26,184	292,058
Sale of tender documents	2,629,224	879,781
Enlistment & renewal fees	2,121,546	3,393,861
Other Liquidated Damage	-	3,416,119
Other rental income	452,367	107,980
Load Increase and Decrease fee	786,000	571,900
Killing and Caping fee	621,280	339,910
Name/Owner Changing fee	381,500	317,500
Miscellaneous income	490,669	27,731,624
Office rent income & recoveries	597,829	9,266,879
Sale of gas condensate	233,780,51	48,320,105
	123,094,057	111,294,960



		Amount in Taka	
		2020-2021	2019-2020
IAS 1.82(b)	35. Finance Expense		
	Interest on ADP (LOCAL) loans	4,673,023	4,528,191
	Interest on foreign (ADB, OECF & JICA) loans	36,978,983	37,461,523
		41,652,006	41,989,714
IAS 1.97	36. Investment Income		
	Interest income on bank deposits (FDR)	1,621,648,334	3,167,379,349
IAS 1.97	37. Finance Income		
	Interest income on bank deposits (STD)	528,101,891	635,829,023
	Interest on land purchase & house building loans	114,396,878	102,959,711
	Interest on motor cycle loan	2,645,941	2,412,327
	Interest on Computer loan	126,036	177,989
	Interest on loan to GTCL	245,006,552	330,472,379
		890,277,298	1,071,851,428
IAS 1.82(d)	38. Income Tax Expense		
	Provision for income tax during the year	1,013,907,082	1,508,264,490

Computation of total taxable income and tax liability during the year is given in **Annexure- C**.

As per the Paragraph 81(c) of IAS 12 "Income Taxes", reconciliation of effective tax rate is:

Particulars	2020-21		2019-20	
	%	Taka	%	Taka
Profit before tax		4,331,494,973		5,046,091,928
Applicable tax	22.50%	974,586,369	25.00%	1,261,522,982
Provision for Bad & Doubtful debts	0.00%	-	3.59%	181,174,434
Depreciation as per Accounts	5.34%	231,372,980	4.89%	246,706,981
Depreciation as per IT Schedule	(4.43%)	(192,052,267)	(3.59%)	(181,139,906)
Effective current tax	23.41%	1,013,907,082	29.89%	1,508,264,490
Effective deferred tax	(3.28%)	(142,165,715)	(1.19%)	(60,236,065)
	20.13%	871,741,367	28.70%	1,448,028,425

IAS-1.81A	39. Other Comprehensive Income		
	Fair value adjustment of marketable securities	810,550	(748,200)
IAS 33.70	40. Earning Per Share (EPS)		
	Basic EPS		
	Net profit attributable to the ordinary shareholders	3,459,753,607	3,598,063,503
	Number of ordinary shares outstanding	989,221,831	989,221,831
		3.50	3.64

Due to decrease of investment as well as interest rate, non operating income significantly decrease during the year as a results deviation in EPS.



Amount in Taka	
2020-2021	2019-2020

41. Net Operating Cash Flow Per Share (NOCFPS)

Net operating cash flows	(1,101,778,402)	(4,428,079,729)
Number of ordinary shares outstanding	989,221,831	989,221,831
	(1.11)	(4.48)

The significant change in NOCFPS is basically due to collection of gas sales in respect of the the relative payments against purchase liability was higher than that of the previous year.

42. Net Asset Value (NAV) Per Share

Net Assets (Total Assets- Liabilities)	71,783,221,940	70,621,664,474
Number of ordinary shares outstanding	989,221,831	989,221,831
	72.57	71.39

43. Reconciliation of net profit with cash flows from operating activities

Net Profit Before Tax	4,331,494,973	5,046,091,928
Adjustments for:		
Adjustment for WPPF	(227,973,420)	(232,867,569)
Depreciation	1,028,324,358	986,827,923
Bad Debt	-	724,697,736
Foreign exchange loss	159,303	1,454,969
Interest Payment adjustment	(26,706,440)	(17,889,395)
Profit/(loss) on sale of fixed assets	(26,184)	292,058
Income Tax Adjustment	(4,408,883,923)	(3,958,102,528)
Investment Income	657,682,452	100,593,192
Changes in:		
Decrease/(Increase) in Inventories	75,997,419	148,243,506
Increase in Trade receivables	1,542,200,756	(16,356,288,491)
Increase in Advance, deposit & prepayments	(109,789,568)	(97,705,304)
(Increase)/Decrease in Other Current Asset	156,623,552	(737,992,173)
Decrease/(Increase) in Group Current Account	650,897,036	(370,823,662)
Increase in Trade and Other Payable	(5,712,822,930)	10,114,107,657
Increase in Liability for Expenses	941,044,213	221,280,424
Net cash flow used in operating activities	(1,101,778,402)	(4,428,079,729)



44. Financial risk management

International Financial Reporting Standard (IFRS 7): Financial Instruments: Disclosures - require disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the companies policies for controlling risks and exposures. The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the company.

44.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers and investment securities. The company's sales are made to Govt. and private power, fertilizer, industry, feed gas for CNG, commercial, domestic metered and non-metered customers.

Exposure to credit risk

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

	Amount in Taka	
	30.06.2021	30.06.2020
Investments	23,808,720,467	28,644,322,628
Intercompany loan	11,232,499,000	11,937,240,500
Loan to employees	3,148,750,855	3,217,137,659
Inventories	1,772,973,544	1,848,970,963
Trade & other receivables	57,760,876,654	58,673,609,817
Advance, deposit & prepayments	43,104,658,657	38,585,985,166
Group current accounts	426,074,971	401,321,282
Other current assets	1,801,313,631	2,452,210,667
Cash and bank balances	22,461,960,938	19,895,359,114
	165,517,828,717	165,656,157,795

Credit exposure by credit rating

	As at 30 June 2021	
	Amount	(%)
Investments	23,808,720,467	14.38
Intercompany loan	11,232,499,000	6.79
Loan to employees	3,148,750,855	1.90
Inventories	1,772,973,544	1.07
Trade & other receivables	57,760,876,654	34.90
Advance, deposit & prepayments	43,104,658,657	26.04
Group current accounts	426,074,971	0.26
Other current assets	1,801,313,631	1.09
Cash and bank balance		
Cash in hand	1,572,928	0.001
Cash at bank	22,460,388,010	13.57

44.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.



The followings are the contractual maturities of financial liabilities as at 30 June 2021:

Particulars	Carrying Amount	Maturity period	Int. rate	Within 6 months or less	Within 6 -12 months	More than 1 year
	Taka	Taka	%	Taka	Taka	Taka
Long term loans net off current maturity	3,226,815,056	June 2043	1-5	-	-	3,226,815,056
Deferred tax liability	970,452,306	-	-	-	-	970,452,306
Retirement benefit obligations	2,404,561,924	-	-	364,514,173	358,727,252	1,681,320,498
Leave pay	151,913,823	-	-	164,574,692	28,545,424	(41,206,293)
Customers' security deposit	22,809,849,154	-	-	-	-	22,809,849,154
Current portion of loans and other borrowings	86,789,382	June 2022	1-5	43,394,691	43,394,690.90	-
Trade and other payable	43,889,458,504	-	-	36,898,033,656	6,991,424,848.00	-
Group current accounts	824,973,986	-	-	-	824,973,986.00	-
Workers' profit participation fund (WPPF) and WF payable	151,100,432	-	-	-	151,100,432.00	-
Provision for income tax	31,191,578,011	-	-	-	-	31,191,578,011
Liabilities for expenses	3,031,928,447	-	-	2,122,349,913	757,982,111.75	151,596,422
	108,739,421,025			39,592,867,126	9,156,148,744	59,990,405,155

44.3 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

44.4 Currency risk

The Company is exposed to currency risk on purchases of spare parts of plant and machinery that are denominated in a currency other than the functional currency primarily US Dollars and Japanese Yen. The effects of foreign purchase are insignificant to the Company. The Company has not entered into any type of derivatives instrument in order to hedge foreign currency risk as at 30 June 2021.

44.5 Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Local currency loans are however not significantly affected by fluctuations in interest rates as the rate is below from market rate. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

45. Commitment to sanction loan

Gas Transmission Company Limited
 GTCL's Off Transmission Point Gas Station Installation and Modification Project "

2,491,300,000	3,491,300,000
1,800,000,000	-
4,291,300,000	3,491,300,000



46. Related party disclosure
i) Related party transactions

During the year, the company carried out a number of transactions with related parties the normal course of business. The name of the related parties and nature of these transactions have been set out in accordance with the provisions of IAS 24: *Related Party Disclosure*.

(Amount in Million Taka)

Name of Parties	Relationship	Nature of transaction	Net transaction during the year	Outstanding as on 30.06.2021 Receivable/ (Payable)	Outstanding as on 30.06.2020 Receivable/ (Payable)
Petrobangla	Controlling Authority		4,948	(26,720)	(31,668)
BAPEX	Inter-company	Gas Purchase	169	(275)	(444)
BGFCL	Inter-company	Gas Purchase	698	(745)	(1,444)
RPGCL	Inter-company	Gas Purchase	54	(39)	(94)
GTCL	Inter-company	Gas Transmission	1,265	(1,632)	(2,897)
BAPEX	Inter-company	Inter-company loan	(163)	975	1,138
GTCL	Inter-company	Inter-company loan	(542)	10,257	10,800
Total			6,429	(18,180)	(24,610)

Note# 8 to the financial statements revealed the outstanding balances of loan as on 30 June 2021 given to Gas Transmission Company Limited (GTCL) and Bangladesh Petroleum Exploration & Production Company Limited (BAPEX) for amounts of Tk. 1,025.74 crore and Tk. 97.50 crore respectively. Titas Gas Transmission and Distribution Company Limited (TGTDC) had to give those loans to GTCL and BAPEX as per directions of the government to implement various energy projects of those companies/government under the approval of ECNEC and Ministry of Power, Energy and Mineral Resources of the Government of Bangladesh. TGTDC (75%), GTCL and BAPEX are government owned enterprises and directors of these companies are nominated and appointed (ex-officio) by the government who are normally the government high officials. As such directors of these companies are usually and frequently changed due to retirement, promotion and transfer of such government officials.

ii) Particulars of Directors of Titas Gas Transmission and Distribution Company Limited as at 30 June 2021

Name of Directors	BOD of TGTDC	Entities where they have interests
Mr. Md. Anisur Rahman	Chairman	Senior Secretary, Energy & Mineral Resources Division
Mr. Tofazzel Hossain Miah	Director	Secretary, Prime Minister' Office.
Mr. A B M Abdul Fattah	Director	Chairman, Petrobangla
Mr. Md. Belayet Hossain	Director	Chairman, BPDB
Mr. Shah Md Imdadul Haque	Director	Chairman, BCIC
Mr. Md. Saidur Rahman	Director	Additional Secretary, Finance Division
Eng. Mohammad Mynul Islam	Independent Director	N/A
Mr. Saifuddin Ahmed Bhuiyan	Independent Director	N/A
Engr. Md. Haranur Rashid Mullah	Managing Director	Titas Gas T&D Co. Ltd., Dhaka

Disclosure of key management personnel compensation

As per IAS 24: *Related Party Disclosures*, key management personnel in a company are those persons having authority and responsibility for planning, directing and controlling the activities of that company. In the case of Titas Gas Transmission and Distribution Company Limited (TGTDC) all activities are planned, directed and controlled by the Board of Directors which includes the Managing Director of the Company. No such benefits as mentioned in Paragraph 17 of IAS 24 were paid/given to any director of the Company during the year 2020-21 except for the salary & allowance of Tk. 2,121,353 paid to the Managing Director.



Amount in Taka	
30.06.2021	30.06.2020

47. Disclosure as per Schedule XI, Part II, Para 3 of the Companies Act 1994

The company had 2,096 permanent employees as at 30 June 2020 and 1,956 permanent employees as at 30 June 2021.

Number of Employee:

Head Office Staff
Other than Head

30.06.2021	30.06.2020
Number of Staff	Number of Staff
752	891
1,204	1,205
<u>1,956</u>	<u>2,096</u>

48. Disclosure as per Schedule XI, Part II, Para 4 of the Companies Act 1994

Managing Director remuneration and benefit

<u>2,121,353</u>	<u>1,291,194</u>
------------------	------------------

No such benefits were paid/given to Managing Director of the Company during the year 2020-21 except for the salary & allowance of Tk. 2,121,353.

49. Events after the reporting period

Amount to be distributed as dividend

The Board of Directors in their meeting held on 18 October 2021 have recommended cash dividend @ 22% per share of Tk. 10 each aggregating Tk. 2,176,288,028 for the year ended 30 June 2021 subject to approval of the shareholders in the 40th Annual General Meeting. The financial statements for the year ended 30 June 2021 do not include the effect of the above cash dividend which will be accounted for in the period when shareholders' right to receive the payment will be established. The declared dividend is also in compliance with section 16G of Income Tax Ordinance 1984.

Other events

There are no other material events identified after the statement of financial position date which require adjustment or disclosure in these financial statements.

50. Account title information

As per IAS-1 Account title name "Retained Earnings" shown in balance sheet (Note No: 19) which was previously presented as "Revenue Reserve".



Titas Gas Transmission and Distribution Company Limited

Schedule of Property, Plant and Equipment

As at 30 June 2021

Particulars	Cost			of Dep. (%)	Depreciation			Written Down Value as on 30.06.2021
	Balance as on 01.07.2020	Addition during the year	Disposal/ Adjustment during the year		Total Cost as on 30.06.2021	Charge during the year	Adjustment during the year	
Tangible Assets								
Land	1,594,882,056	-	-	1,594,882,056	-	-	-	1,594,882,056
Buildings	1,192,744,329	91,176,397	-	1,283,920,727	3-10	-	-	625,586,631
Furniture & fixtures	111,924,886	2,984,587	405,200	114,504,273	10-15	5,763,491	369,907	89,828,627
Office equipments	617,126,585	5,265,486	-	622,392,071	15	19,221,967	-	568,839,282
Other equipments	117,124,169	2,792,290	-	119,916,459	15-30	4,031,514	-	108,363,681
Transmission & distribution lines	23,434,716,494	280,313,311	29,689,290	23,685,340,515	3-10	878,670,708	16,388,916,974	7,296,423,542
Water services	36,117,736	447,720	-	36,565,476	10-20	1,630,155	-	33,182,820
Vehicles	828,810,864	-	2,144,425	826,666,439	20	71,439,959	2,144,361	699,276,501
Other assets	2,901,709	-	-	2,901,709	10-25	76,843	-	2,702,470
Intangible Assets								
Integrated software	57,682,409	-	-	57,682,409	20	11,536,482	-	36,158,179
Total as on 30 June 2021	27,994,031,257	382,979,792	32,238,915	28,344,772,134		1,028,324,358	2,514,268	18,552,855,263
Total as on 30 June 2020	27,420,657,620	587,746,846	(14,373,208)	27,994,031,257		986,827,923	(14,230,902)	10,466,986,084



Titas Gas Transmission and Distribution Company Limited
Aging of Trade Receivables
As at 30 June 2021

Category of Receivables	(Amount in Taka)				
	Dues Over 90 days	Dues up to 31-90 Days	Dues up to 30 Days	2020-21	2019-10
Power (PDB)	1,507,317,219	1,388,180,000	607,242,735	3,502,739,954	3,476,069,464
Power (Private)	6,212,145,497	2,528,430,000	1,442,110,000	10,182,685,497	425,963,546
Fertilizer	64,697,958	17,472,000	102,270,000	184,439,958	8,170,471,349
Industrial	7,535,728,509	2,840,506,075	3,891,346,663	14,267,581,247	14,608,243,279
Captive Power	3,786,263,255	3,183,015,090	4,520,411,025	11,489,689,370	13,978,910,508
Feed Gas for CNG	2,985,479,405	574,676,802	1,627,856,998	5,188,013,205	5,168,845,552
Domestic	15,030,705,140	2,604,984,195	2,539,192,871	20,174,882,207	19,946,766,130
Commercial	650,227,195	213,769,968	140,018,577	1,004,015,740	1,131,510,513
Seasonal	45,266,462	-	-	45,266,462	45,266,462
Total Trade receivables	37,817,830,640	13,351,034,130	14,870,448,869	66,039,313,640	66,952,046,803
Less: Provision for bad & doubtful debts				8,278,436,985	8,278,436,985
Net Trade Receivables				57,760,876,655	58,673,609,818



Titas Gas Transmission and Distribution Company Limited
Computation of Total Taxable Income & Tax Liability

Annexure-C

Income Year: 2020-2021
Assessment Year: 2021-2022

Particulars	Amount in Taka
Net profit before Tax (as per accounts)	4,331,494,973
Add: Provision for Bad & Doubtful debts	-
	<u>4,331,494,973</u>
Add: Depreciation as per Accounts	1,028,324,358
Less: Depreciation as per IT Schedule	853,565,633
Total Taxable Income	<u>4,506,253,698</u>
Tax Payable @ 22.5%	<u>1,013,907,082</u>
Tax Payable (Current Tax)	<u>1,013,907,082</u>



Titas Gas Transmission and Distribution Company Limited

Depreciation Schedule of Fixed Assets for the Assessment Year: 2021-2022 (As per Tax Authority)

Sl. #	Particulars	Written Down Value (WDV) as on 01.07.2020	Addition as per Accounting	Addition as per ITO	Disposal	Total allowable cost as on 30.06.2021	Rate	Depreciation	Written Down Value (WDV) as on 30.06.2021
1	2	3	4	5	6	7=(3+5+6)	8	9=(7*8)	10=(7-9)
1	Land	992,658,706	-	-	-	992,658,706	0%	-	992,658,706
2	Building	369,129,502	91,176,397	91,176,397	-	460,305,899	5%	23,015,295	437,290,604
3	Pipe line & Dev.	3,625,270,110	213,853,076	213,853,076	-	3,839,123,185	20%	767,824,637	3,071,298,548
4	Office Equipment	121,100,930	5,265,486	5,265,486	-	126,366,416	10%	12,636,642	113,729,775
5	Other Equipment	20,792,377	2,100,140	2,100,140	-	22,892,517	10%	2,289,252	20,603,265
6	Furniture & Fixture	39,885,710	2,984,587	2,984,587	(405,200)	42,465,097	10%	4,246,510	38,218,587
7	Vehicles	192,719,533	-	-	(2,144,425)	190,575,108	20%	38,115,022	152,460,086
8	Water Service	8,471,530	447,720	447,720	-	8,919,250	10%	891,925	8,027,325
9	Other Assets	360,067	-	-	-	360,067	10%	36,007	324,060
10	Integrated Software	9,020,689	-	-	-	9,020,689	50%	4,510,344	4,510,344
	Total	5,379,409,153	315,827,406	315,827,406	(2,549,625)	5,692,686,934		853,565,633	4,839,121,301

Total WDV as on 30.06.2020

Less: Land

Tax base WDV for AY 2020-21

Total WDV as on 30.06.2021

Less: Land

Tax base WDV for AY 2021-22

4,839,121,301

992,658,706

3,846,462,596

