



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS



PRIVATE & CONFIDENTIAL

Titas Gas Transmission and Distribution Company Limited

Auditor's Report

&

Financial Statements

For the year ended 30th June, 2023

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CHARTERED ACCOUNTANTS

Partners:

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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 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year 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 2023, and of its financial performance and its cash flows for the year 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. 2,947.65 crore as on 30 June 2023. The Head Office of the Company maintains control ledgers with the information received from zone offices. But during our audit at zone /RSO offices we found some differences which yet to be reconciled.
- Due to delay in payment of bills by the bulk customers the Company calculates and charges penal interest on the bill amounts of the respective customers. As such a total amount of Tk. 129.62 crore has been recognized as interest income up to 30 June 2023 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 187.89 crore & EGCB Demand charges for Tk. 21.69 crore up to the year 2022-23. Further, the Company accounted for another income of Higher Heating Value (HHV) from its Private Power customers amounting to Tk. 38.84 crore up to the year 2022-23. The Company has been recognizing these income and receivables since the year 2002. Out of the said aggregated amount of Tk. 378.04 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.
- Receivable from Encashment of FDR (**Note# 14**) for Tk 58.61 crore as disclosed in 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 bank 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.
- The carrying amount of inventories as shown in the statement of financial position as on 30 June 2023 is Tk. 299.13 crore. But the accounting policies of the Company state that inventories are valued at cost which is a non-compliance with International Accounting Standard (IAS) 2: Inventories. IAS 2 requires valuation of inventories at the lower of cost and net realizable value. 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

INDEPENDENT MEMBER OF

A B A C U S

W O R L D W I D E

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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 2023. 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 2023 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 2023 appears to be overstated.

- e. As per subsidiary loan agreement (SLA) between the Government of the Republic of Bangladesh and Titas Gas Transmission and Distribution Company Limited (TGTDC), the Company has received Tk. 24.78 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. 282.74 crore as at 30 June 2023. But the company has not converted this Share Money Deposit into the share capital of the company as per the instruction given by FRC.
- f. According to Tax Law 2023, Section-89 Rule-03 Customers deducted Advance Income Tax (AIT) against gas bill of Titas gas and then deposited the money in favour of NBR. According to the law, the entire amount of the gas bill is considered for tax deduction, even though Titas Gas's income consists primarily of the distribution margin and other minor sources of income such as demand charges and meter rent, which make up a small portion of the total bill. Starting from the assessment year 2015-16 (FY 2014-15), a significant disparity has emerged between the Advance Income Tax deposited and the actual Tax Liability owed and from the assessment year 2015-16 to 2023-24, an excess amount of Taka 2,239.46 crore has been deposited to NBR over the tax. That's why Company fall in liquidity crises-tremendously. They should take initiative to settle the AIT issue with NBR.

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

Emphasis of Matter

Attention to be given to the **Note # 15 Cash & Cash Equivalent** in to the financial statement as on **30 June 2023** out of **89** collection accounts **47** numbers of collection accounts yet to be reconciled by removing bug problems in software.



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. 26,508.83 crore, equivalent to 107.79% 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 BERC Order # 2022/09 dated 04/06/2022 and SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources. 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

At the reporting date, the carrying value of the Company's property, plant and equipment and capital work-in-progress amounted to Tk. 958.35 crore and Tk. 717.42 crore respectively which represent 3.89% and 2.90% 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.

In considering the valuation of property, plant, and equipment, we focused on the assessment of the followings:

- 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.

Inherent risks associated with property, plant and equipment

- 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.

How the matters were addressed in our audit

- We obtained an understanding of the client and its environment to consider inherent risk related to property, plant, and equipment. Our understanding includes:
 - 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.



Key audit matters	How the matters were addressed in our audit
<ul style="list-style-type: none"> • 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. <p><u>Valuation of capital work- in- progress to PPE</u></p> <p>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.</p> <p><u>Assessment of useful lives of assets</u></p> <p>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.</p> <p><u>Impairment of assessment</u></p> <p>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.</p>	<ul style="list-style-type: none"> • 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 72.78 crore as at 30 June 2023.</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 2020, 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.

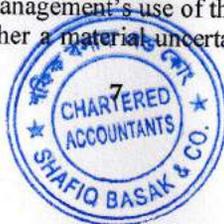
Those charged with governance are responsible for overseeing the Company's financial reporting process.

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.

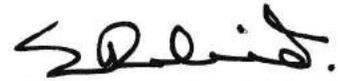
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 2020 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.

**Dated: 25 October, 2023
Dhaka.**



**Sheikh Zahidul Islam FCA, MBA
Enrolment No-1394
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC:2310261394AS615271**



Titas Gas Transmission and Distribution Company Limited

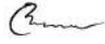
Statement of Financial Position

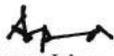
As at 30 June 2023

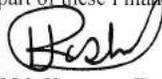
IAS 1.51(a)
IAS 1.10(a),51(b)
IAS 1.51(c)
IAS 1.51(d),(e)
IAS 1.113

Particulars	Notes	AMOUNT IN TAKA	
		30.06.2023	30.06.2022
Assets			
Non-current assets		65,31,38,87,132	62,66,99,70,154
Property, plant & equipment (at cost less Depreciation)	5	9,58,35,74,188	9,77,51,75,374
Capital work in progress	6	7,17,42,84,364	6,90,41,10,074
Investments	7	36,09,31,81,017	33,11,28,69,267
Inter-company loan	8	9,10,20,77,125	9,98,47,36,325
Loan to employees	9	3,36,07,70,438	2,89,30,79,114
Current assets		1,80,61,05,44,822	1,24,19,58,79,705
Inventories	10	2,99,13,24,866	2,08,77,53,692
Trade receivables less provision for bad and doubtful debt	11	99,58,34,02,558	59,31,01,58,648
Advances, deposits and prepayments	12	52,82,35,35,688	47,14,16,97,728
Group current accounts	13	29,63,27,163	19,63,43,054
Other current assets	14	1,79,68,27,816	1,56,84,24,034
Cash and cash equivalents	15	23,11,91,26,731	13,89,15,02,549
Total assets		2,45,92,44,31,954	1,86,86,58,49,859
Equity & Liabilities			
Shareholders' equity			
Share capital	16	70,97,21,39,712	73,36,47,10,669
Share money deposit	17	9,89,22,18,310	9,89,22,18,310
Reserve fund	18	2,82,74,74,695	2,57,97,73,606
Revenue reserve	19	81,04,48,443	81,01,36,693
		57,44,19,98,264	60,08,25,82,060
Non-current liabilities			
Long term loans (net of current maturity)	20	37,95,11,55,834	33,93,66,86,303
Deferred tax liability	21	4,04,92,87,321	3,90,07,18,197
Retirement benefit obligations	22	72,78,23,489	85,54,65,929
Leave pay	23	3,61,74,11,632	2,97,03,74,125
Customers' security deposits	24	8,01,10,988	10,76,57,765
		29,47,65,22,404	26,10,24,70,287
Current liabilities			
Current portion of long term loans	20	1,37,00,11,36,408	79,56,44,52,887
Trade payables	25	24,60,62,248	12,78,18,260
Group current accounts	26	99,71,45,82,653	42,88,99,72,364
Workers' profit participation fund and WF payable	27	65,26,23,172	78,08,23,789
Provision for income tax	28	-	9,91,17,157
Unclaimed Dividend	29	32,01,24,75,657	32,01,24,75,657
Liability for expenses	30	1,65,36,696	1,28,41,395
		4,35,88,55,982	3,64,14,04,265
Total liabilities		1,74,95,22,92,242	1,13,50,11,39,190
Total equity & liabilities		2,45,92,44,31,954	1,86,86,58,49,859
Net assets value per share (NAV)	43	71.75	74.16

The annexed notes form an integral part of these Financial Statements.


Md. Lutful Hyder Masum
Company Secretary


Arpana Islam
GM (Finance)


Engr. Md. Haronur Rashid Mullah
Managing Director


Md. Nurul Alam
Chairman

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

Dated: 25 October 2023
Place : Dhaka


Sheikh Zahidul Islam FCA, MBA
Enrollment No-1394
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC:2310261394AS615271



Titas Gas Transmission and Distribution Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Period July 2022- June 2023

IAS 1.51(a) IAS 1.10(b),81A IAS 1.51(b),(c) IAS 1.51(d),(e) IAS 1.113	Particulars	Notes	AMOUNT IN TAKA	
			July-22 to June-23	July-21 to June-22
	Revenue	31	2,65,08,83,96,246	1,83,70,23,82,913
IAS 1.82(a)	Less: Cost of sales	32	2,63,50,48,38,312	1,76,59,70,31,685
IAS 1.103	Gross profit/(Loss)		1,58,35,57,934	7,10,53,51,228
IAS 1.85	Less: Operating expenses		6,96,66,50,336	5,47,68,14,301
IAS 1.82(b)	General administrative expenses	33	6,81,45,18,757	5,27,67,37,018
IAS 1.82(b)	Transmission & Distribution expenses	34	15,21,31,579	20,00,77,282
	Add: Other operating income	35	48,43,83,379	10,87,50,953
IAS 1.54(h)	Gross operating profit/(Loss) for the year		(4,89,87,09,024)	1,73,72,87,880
IAS 1.82(b)	Less: Finance cost	36	2,81,38,047	1,17,46,058
	Net operating profit/(Loss) for the year		(4,92,68,47,071)	1,72,55,41,822
IAS 1.85	Add: Non-operating income		3,14,78,42,666	2,34,66,31,948
	Investment income	37	2,02,55,99,820	1,54,11,87,378
	Financial income	38	1,12,22,42,846	80,54,44,570
	Profit/(Loss) before WPPF and WF		(1,77,90,04,405)	4,07,21,73,770
IAS 1.99	Less: Provision for contribution to WPPF & WF		-	20,36,08,688
IAS 1.85	Profit/(Loss) before income tax		(1,77,90,04,405)	3,86,85,65,081
IAS 1.82(d)	Less: Income tax expenses(Income)		(12,76,42,440)	68,83,53,295
IAS 12.82(b)	Current tax	39	-	80,33,39,671
IAS 12.82(b)	Deferred tax	21	(12,76,42,440)	(11,49,86,376)
	Net profit/(Loss) after income tax		(1,65,13,61,965)	3,18,02,11,786
IAS 1.82A	Other comprehensive income	40	3,11,750	4,98,800
	Total comprehensive income/(Loss)		(1,65,10,50,215)	3,18,07,10,586
IAS 33.66	Earning/(Loss) Per Share (EPS)	41	(1.67)	3.21

The annexed notes form an integral part of these Financial Statements.


Md. Lutful Hyder Masum
Company Secretary

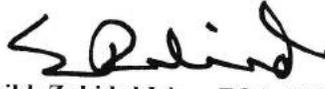

Arpana Islam
GM (Finance)


Engr. Md. Haronur Rashid Mullah
Managing Director


Md. Nurul Alam
Chairman

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

Dated: 25 October 2023
Place : Dhaka


Sheikh Zahidul Islam FCA, MBA
Enrollment No-1394
Partner
Shafiq Basak & Co.
Chartered Accountants
DVC:2310261394AS615271



IAS 1.51(a)
IAS 1.10(c)
IAS 1.51(c)
IAS 1.51(d),(e)
IAS 1.113

Titas Gas Transmission and Distribution Company Limited
Statement of Changes in Equity
For the Period July 2022 - June 2023

Particulars	Share Capital	Share Money Deposit	Reserve Fund	Revenue Reserve	Total Equity
Balance as on July 01, 2022	9,892,218,310	2,579,773,606	810,136,691	60,082,582,059	73,364,710,669
Net profit after tax for the year				(1,651,361,965)	(1,651,361,965)
Cash Dividend for the year 2021-22 @ 10%				(989,221,831)	(989,221,831)
Share money deposit transferred from long term loan	-	247,760,450	-		247,760,450
Fair value adjustment of marketable securities	-		311,750		311,750
Refund of Share money deposit to Govt.		(59,361)			(59,361)
Balance as on June 30, 2023	9,892,218,310	2,827,474,695	810,448,441	57,441,998,263	70,972,139,712

For the Period July 2021 - June 2022

Particulars	Share Capital	Share Money Deposit	Reserve Fund	Retained Earnings	Total Equity
Balance as on July 01, 2021	9,892,218,310	2,057,918,478	809,637,891	59,078,658,301	71,838,432,982
Net profit after tax for the period July-21 to June-22	-	-	-	3,180,211,786	3,180,211,786
Cash Dividend for the year 2020-21 @ 22%	-	-	-	(2,176,288,028)	(2,176,288,028)
Share money deposit transferred from long term loan	-	521,855,128	-		521,855,128
Fair value adjustment of marketable securities	-	-	498,800	-	498,800
Balance as on June 30, 2022	9,892,218,310	2,579,773,606	810,136,691	60,082,582,059	73,364,710,669


Md. Lutful Hyder Masum
Company Secretary


Arpana Islam
GM (Finance)


Engr. Md. Haronur Rashid Mullah
Managing Director


Md. Nurul Alam
Chairman

Dated: 25 October 2023
Place : Dhaka



Titas Gas Transmission and Distribution Company Limited

Statement of Cash Flows
For the Period July 2022- June 2023

IAS 1.10(d)	IAS 1.51(e)	IAS 1.113(d),e	IAS 1.113	PARTICULARS	Notes	AMOUNT IN TAKA	
						Jul'22 to June'23	Jul'21 to June'22
				A. Cash flows from operating activities			
						223,996,560,462	181,771,437,508
				IAS 7.10 Receipts from Revenue		2,830,017,501	2,198,928,074
				IAS 1.85 Interest received		109,540,596	412,187,999
				Other Income received		(206,684,293,320)	(177,603,156,949)
				IAS 1.14© Payment against gas purchase		(3,679,969,778)	(3,527,436,636)
				Payment for salary & other cost		(99,117,157)	(259,421,911)
				Payment for WPPF		3,836,912	111,604,615
				Inter Company a/c's		(139,164,364)	(11,746,058)
				IAS 7.33 Interest paid		(5,629,455,020)	(4,421,263,603)
				IAS 7.35 Income tax paid		(164,222,613)	43,234,027
				Advance, Deposits & Prepayments		1,627,124,303	1,585,790,196
				Other Creditors		12,170,857,522	300,157,262
				Net cash from operating activities			
				B. Cash flows from investing activities			
				IAS 7.10 Fixed deposit		(2,980,000,000)	(9,303,650,000)
				IAS 1.54(b) Security received from customers		3,500,762,545	3,438,826,324
				Loan re-payment made by BAPEX		130,000,000	130,000,000
				Loan to GTCL		(384,600,000)	-
				Loan re-payment made by GTCL		1,137,259,200	1,117,762,675
				IAS 7.16(a) Acquisition of fixed assets		(1,168,479,863)	(1,491,833,755)
				Acquisition of stores		(2,106,125,203)	(2,035,491,745)
				Employees' loan		(864,894,809)	(115,492,516)
				IAS 19.120 Gratuity fund			(8,492,800)
				IAS 19.120 Leave pay		(85,220,307)	(102,258,839)
				IAS 19.120 Pension fund		444,561,097	663,154,036
				IAS 19.120 Provident fund		(70,135,110)	(70,406,597)
				Net cash used in investing activities		(2,446,872,450)	(7,777,883,217)
				C. Cash flows from financing activities			
				IAS 7.10 Share money received		247,760,450	521,855,128
				Share money deposit refunded		(59,361)	-
				IAS 7.17(d) Loan received		371,551,634	782,782,692
				IAS 7.17(c) Re-payment of long-term loan		(127,818,260)	(86,789,382)
				Dividend paid		(987,795,353)	(2,310,580,871)
				Net cash used in financing activities		(496,360,890)	(1,092,732,433)
				IAS 7.50(d) D. Net increase/decrease in cash & cash equivalents (A+B+C)		9,227,624,182	(8,570,458,388)
				E. Unrealised foreign exchange gain/ (loss)			
				F. Cash & cash equivalents at beginning of the year		13,891,502,549	22,461,960,938
				G. Cash & cash equivalents at end of the period (D+E)		23,119,126,731	13,891,502,549
				Net Operating Cash Flow Per Share (Taka)	42	<u>12.30</u>	<u>0.30</u>


Md. Lutful Hyder Masum
Company Secretary


Arpana Islam
GM (Finance)


Engr. Md. Haronur Rashid Mullah
Managing Director


Md. Nurul Alam
Chairman

Dated: 25 October 2023
Place : Dhaka



IAS 1.51(A)

IAS 1.51(e)

IAS 1.51(c)

IAS 1.38

Titas Gas Transmission and Distribution Company Limited

Notes to the Financial Statements

For the year ended 30 June 2023

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. বিজ্ঞাপন (প্রসউ-০২) গ্যাস-২/২০০২(অংশ-০২)/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' 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 it's 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 13,391.32 km and a total connection of gas customer is 28,78,757 including 17 govt. power stations, 9 private power stations and 2 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 Act, 2023;
- The Income Tax Rules, 2023;
- 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);
- Bangladesh Energy Regulatory Commission; etc.

2.3 Authorization for issue

The audited financial statements as at and for the year ended 30 June 2023 were authorized to issue by the Board of Directors on 25 October 2023.

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 consistently.

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

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) iii) Depreciation

IAS 1.55 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

- 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.
- 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).
- 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.
- 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.
- The web-based integrated customized software, commonly known as the TGTDCL System, was developed by the local vendor M/S. Divine IT Ltd. It is being amortized using the straight-line method over an estimated useful life of five (5) years. As of the end of the financial year 2022-23, the entire value of the intangible assets has been fully amortized.



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

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 this state, the company calculated the volume of gas purchases based on sales volume from July 1, 2019, to December 31, 2022. Following the guidelines set by Petrobangla (the holding company), the issue was resolved, and there have been no disputes in this regard since January 2023. To maintain consistency with previous years and to address other related issues, a provision of 3% on the total cost of sales for the first six months (July 2022 to December 2023), amounting to Tk. 286,12,24,806, has been considered in calculating the total cost of sales."

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). However, in the current financial year, the company did not generate a net profit, and therefore, no provision was made during this period.

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, demand charge, higher heating value, 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

As per the Finance Act of 2023, the income tax rate is set at 20% on the profit before income tax, in accordance with income tax laws that are in compliance with IAS-12 'Income Taxes.' However, in the current financial year, the company did not generate a net profit; instead, it incurred a net loss. Consequently, no provision was made during this

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

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.

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# 51.



5. Property, plant and equipment

(A) Cost

	Amount	
	30.06.2023	30.06.2022
Opening Balance	29,263,286,600	28,344,772,133
Add: Addition during the year	921,511,418	1,003,692,100
	<u>30,184,798,018</u>	<u>29,348,464,233</u>
Less: Disposal during the year	23,205,845	85,177,633
	<u>30,161,592,174</u>	<u>29,263,286,600</u>

(B) Accumulated depreciation

Opening Balance	19,488,111,227	18,552,855,263
Add: Charged during the year	1,090,576,623	1,010,146,663
	<u>20,578,687,850</u>	<u>19,563,001,926</u>
Less: Adjustment for disposal	669,865	74,890,699
	<u>20,578,017,985</u>	<u>19,488,111,227</u>

(C) Written down value (A-B)

	<u>9,583,574,188</u>	<u>9,775,175,373</u>
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Schedule of property, plant and equipment is given in **Annexure - A.**

6. Capital work in progress

Opening balance	6,904,110,074	5,290,339,894
Add: Addition during the year	1,125,664,695	2,230,265,550
Less: Adjustment	305,663,979	-
	<u>7,724,110,790</u>	<u>7,520,605,444</u>
Less: Capitalised to property, plant & equipment	549,826,427	616,495,370
	<u>7,174,284,364</u>	<u>6,904,110,074</u>

Capital work in progress includes:

Civil work in greater titas franchise area	8,270,129	62,851,223
Prototype prepaid gas meter project	-	22,193,583
Domestic prepaid gas meter project	-	42,334,861
Installation of pre paid gas meter project (JICA)	7,166,014,234	6,568,534,506
Network expansion/reformation work	-	73,099,190
Replacement of the Existing Gas Network of TGTDC along Joydebpur-Mymensingh 4-lane highway	-	11,286,092
Improvement of Natural Gas Transmission and Distribution of TGTDC	-	7,619,196
Replacement of the Existing Gas Network of TGTDC along Dhaka-Tangail 4-lane highway Under SASEC Road Connection Project	-	7,483,639
Digitalization of Gas Distribution Network in Particular Area within Dhaka City under TGTDC	-	44,205,637
Techno-economic Feasibility Study to prepare GIS Design and Establish SCADA system in TGTDC Distribution Network under Dhaka city and Narayanganj Municipal's	-	64,502,146
	<u>7,174,284,364</u>	<u>6,904,110,074</u>

7. Investments

Investment in FDR (Govt. Bank)	34,785,000,000	30,140,000,000
Investment in FDR (Scheduled Private Bank)	595,000,000	2,260,000,000
ICB Unit Certificate	709,814,117	709,814,117
Share of ICB Islamic Bank	3,366,900	3,055,150
	<u>36,093,181,017</u>	<u>33,112,869,267</u>

(Note: 7.1)



Amount	
30.06.2023	30.06.2022

7.1 Investment in Listed Stock

Name of the Company	No. of Shares	Cost Value	Market Price Per Share as on 30.06.2023	Market Price at the end of the period	Unrealized loss as on 30.06.2023
ICB Islamic Bank	623,500	6,235,000	5.4	3,366,900	(2,868,100)

The share of ICB Islamic Bank (formar 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) at 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	27,845,000,000	25,340,000,000
Accumulated Depreciation	4,750,000,000	5,000,000,000
General provident fund	1,014,480,187	994,480,187
Pension fund	2,480,333,930	1,775,333,930
Investment in share (ICB Islamic Bank)	3,366,900	3,055,150
	36,093,181,017	33,112,869,267

8. Inter-company loan

Loan to GTCL	(Note: 8.1)	8,387,077,125	9,139,736,325
Loan to BAPEX	(Note: 8.2)	715,000,000	845,000,000
		9,102,077,125	9,984,736,325

8.1 Loan to GTCL

Opening Balance		9,139,736,325	10,257,499,000
Add: Addition during the year		384,600,000	-
		9,524,336,325	10,257,499,000
Less: Returned during the year		-	418,973,000
Less: Repayment during the year	(Note: 8.1.1)	1,137,259,200	698,789,675
		8,387,077,125	9,139,736,325

As per Approval of ECNEC (Executive committee of national economic council) project (Construction of Bakhrabad-Meghnaghat-Horipur Gas Transmission Pipeline) of GTCL will be financed by GOB and Owned fund (Petrobangla, GTCL, TGTDC and BGDCL). Total amount of project cost is 1304.62 crore of which GOB will be financed by 512.59 crore and owned fund 792.03 crore of which TGTDC has to finance 249.13 crore. In the financial year 2022-23 TGTDC has paid amounting to Tk 38.46 crore in the above mentioned project of GTCL approved by Titas board. As per loan repayment schedule GTCL has repaid Tk. 113.72 crore in the FY 2022-23. At the end of the financial year 2022-23, the total amount of Tk. 838.70 crore is receivable from GTCL, with a detailed project-wise breakup provided below:

Project wise breakup of Loan to GTCL	30.06.2023 Taka	30.06.2022 Taka
Loan to Bibiana-Dhanua Gas Transmission Pipe Line Project (GTCL)	1,405,566,000	1,756,957,500
Loan to Anowara-Faujdarhat Gas Transmission Pipe Line Construction Project (GTCL)	1,335,950,000	1,526,800,000
Loan to Moheshkhali-Anowara Gas Transmission Pipe Line Construction Project (GTCL)	4,096,837,500	4,558,812,500
Loan to Moheshkhali-Zero Point Gas Transmission Pipe Line Construction Project (GTCL)	1,164,123,625	1,297,166,325
Loan to GTCL for "Bakhrabad-Meghnaghat-Haripur Gas Transmission Pipe Line Construction Project."	384,600,000	-
Total Loan to GTCL	8,387,077,125	9,139,736,325



	Amount	
	30.06.2023	30.06.2022
8.1.1 Loan refund & repaid by GTCL (Repayment during the year)	1,137,259,200	1,117,762,675

8.2 Loan to BAPEX

Loan to BAPEX	845,000,000	975,000,000
Less: Refund during the year	130,000,000	130,000,000
	715,000,000	845,000,000

(Note: 8.2.1)

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.130,000,000 in FY 2022-23.

8.2.1 Loan re-payment made by BAPEX (Repayment during the year)	130,000,000	130,000,000
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9. Loan to employees

Land and house building loan	3,278,546,993	2,799,907,936
Motorcycle loan	77,089,418	88,779,318
Computer loan	5,134,027	4,391,860
	3,360,770,438	2,893,079,114

(Note: 9.1)

(Note: 9.2)

(Note: 9.3)

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.

Aging schedule of employees loan:

Category of Receivable	Dues over 90 days	Dues upto 31-90 days	Dues upto 30 days	Total
HB/ LP Loan	2,797,272,635	366,811,231	114,463,128	3,278,546,993
Motor Cycle Loan	74,857,869	1,759,515	472,035	77,089,418
Computer Loan	4,771,605	342,294	20,128	5,134,027
	2,876,902,108	368,913,039	114,955,291	3,360,770,438

9.1 Land and house building loan

Opening balance	2,799,907,936	3,070,398,266
Add: Addition during the	1,164,837,519	196,253,834
	3,964,745,455	3,266,652,101
Less: Realized during the	686,198,462	466,744,164
	3,278,546,993	2,799,907,936

9.2 Motorcycle loan

Opening balance	88,779,318	75,720,985
Add: Addition during the year	12,206,918	37,317,394
	100,986,236	113,038,379
Less: Realized during the year	23,896,818	24,259,061
	77,089,418	88,779,318
Less: Adjustment during the year	-	-
	77,089,418	88,779,318



9.3 Computer loan

Opening balance
Add: Addition during the

Less: Realized during the

Add: Adjustment during the

Amount	
30.06.2023	30.06.2022
4,391,860	2,631,603
2,488,070	3,674,547
6,879,930	6,306,150
1,745,904	1,914,291
5,134,027	4,391,860
-	-
5,134,027	4,391,860
2,991,324,866	2,087,753,692

10. Inventories

Inventories include gas pipelines, pipeline-related fittings, and spare parts which has been stored for construction of pipelines and operation activities. The significant increase in inventories is due to items that were imported but not issued as of June 30, 2023.

11. Trade receivables less provision for bad and doubtful debt

Bulk customer (Note: 11.1)
Non-bulk customer (Note: 11.2)

Less: Provision for bad & doubtful bdebts (Note: 11.3)

43,828,936,103	17,936,997,750
64,789,900,714	49,651,597,883
108,618,836,817	67,588,595,633
9,035,434,259	8,278,436,985
99,583,402,558	59,310,158,648

11.1 Bulk customer

Power (PDB)
Fertilizer
Power (Private)

15,632,025,268	4,250,749,131
3,037,739,155	437,908,594
25,159,171,680	13,248,340,025
43,828,936,103	17,936,997,750

11.2 Non-bulk customer

Industrial
Captive Power
Feed Gas for CNG
Domestic
Commercial
Seasonal

22,394,658,533	13,678,755,668
16,529,439,909	10,634,703,992
5,602,358,937	5,606,010,864
19,282,035,877	18,890,647,662
936,140,995	796,213,236
45,266,462	45,266,462
64,789,900,713	49,651,597,883

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 3 month 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 2023.

The aging of above trade receivables as on the date of financial position:

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

32,618,816,867	17,778,424,726
15,066,366,451	10,472,219,265
60,933,653,499	39,337,951,642
108,618,836,817	67,588,595,633

Detailed aging schedule is given in Annexure-B.



	Amount	
	30.06.2023	30.06.2022
11.3 Provision for bad and doubtful debt		
Opening balance	8,278,436,985	8,278,436,985
Add: Addition during the year	756,997,274	-
	9,035,434,259	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.

12. Advances, deposits and prepayments

Advance	(Note: 12.1)	52,736,372,184	47,067,123,215
Deposit	(Note: 12.2)	63,396,545	51,655,309
Prepayments	(Note: 12.3)	23,766,960	22,919,204
		52,823,535,688	47,141,697,728

- a) All the advances & deposits are considered good 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)	52,440,300,009	46,810,766,156
General Advance		28,785,748	16,763,594
Uniform & Liveries		123,565,513	125,795,293
Incentive Bonus Advance		143,720,914	113,798,172
		52,736,372,184	47,067,123,215

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

Incentive bonus advances are provided to all permanent employees of the company with the approval of the board of directors. The incentive bonus scheme has been approved by the finance ministry. Subsequently, the mentioned advance incentive bonus is adjusted in accordance with the approval of the board of directors.

12.1.1 Advance income tax

Opening balance	46,810,766,156	42,389,502,553
Add: deducted at source during the period	5,629,533,852	4,421,263,603
	52,440,300,008	46,810,766,156

12.1.2 Income tax paid (Addition during the year)

	5,629,533,851	4,421,263,603
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12.2 Deposits

Bangladesh Oxygen Limited (now Linde Bangladesh Ltd.)*	24,000	24,000
Power Development Board*	28,000	28,000
T&T Board*	158,000	158,000
Security Deposit to Southern Automobiles Ltd., Dhaka	100,000	100,000
Security Deposit to Kamal Trading Agency, Dhaka	200,000	200,000
Security Deposit to Meghna Petroleum Ltd., Dhaka*	1,000,000	1,000,000
ICB Securities Trading Co. Ltd.*	10,000	10,000
Other Security Deposits (City Corporation, Upazila Parishad)**	61,876,545	50,135,309
	63,396,545	51,655,309

*Deposits to Linde Bangladesh Ltd., Power Development Board, T&T Board, Meghna Petroleum Ltd. Dhaka and ICB Securities Trading Co. Ltd., Southern Automobile Ltd. and Kamal Trading Agency 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

Amount	
30.06.2023	30.06.2022
23,666,960	22,819,204
100,000	100,000
23,766,960	22,919,204

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

754,093,563	717,189,740
1,167,826,951	1,352,301,621
1,377,598,713	2,228,252,499
49,524,016,459	42,843,953,867
52,823,535,686	47,141,697,728

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act, 1994 are 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

49,524,016,459	42,843,953,867
3,299,519,227	4,297,743,861
296,072,175	256,357,059
52,527,463,511	46,885,340,669
296,072,175	256,357,059

Advance, Deposits and Prepayments due by Other Officers (against

13. Group current accounts

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

249,797,516	144,878,488
18,116,877	18,762,079
10,681,208	10,220,892
5,523,895	4,281,386
-	9,477,087
11,986,066	8,686,577
185,056	
7,994	7,994
28,551	28,551
296,327,163	196,343,054

14. Other current assets

Interest receivable on investment of GPF & PensionFund
Receivable from ex-employees
Recoverable from employees against Income Tax
Other receivables (From RPGCL, UCBL-KB & others)
Compensation receivable from Mohakhali Flyover authority
Store in transit
Interest receivable on FDR
Receivable from Encashment of FDR
Receivable against recharge of prepaid gas meter
Mobile Financial Service
Prepaid to Petrobangla for Feasibility Study to Establish Land Based
LNG Terminal
General Provident Fund loan to employees

89,724,402	57,900,904
813,812	813,812
134,483	140,385
9,657,200	8,690,528
-	7,695,400
223,002,221	85,384,408
805,227,256	576,417,337
586,137,948	586,137,948
23,754,506	2,981,516
5,064,166	15,492,799
-	159,100,000
53,311,823	67,668,998
1,796,827,816	1,568,424,034

15. Cash and bank balances

Cash in hand
Cash at bank

97,769	408,610
23,119,028,962	13,891,093,939
23,119,126,731	13,891,502,549



16. Share capital

Authorized capital

2,000,000,000 ordinary shares of Taka 10 each

Amount	
30.06.2023	30.06.2022

20,000,000,000 20,000,000,000

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. 40.90 per share as on 30 June 2023 in both stock exchanges.

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

Name of shareholders	% of Holding	No. of shares		Amount in Taka	
		30/06/2023	30/06/2022	30/06/2023	30/06/2022
Petrobangla	75.00%	741,916,371	741,916,371	7,419,163,710	7,419,163,710
Investment Corporation of	3.30%	32,619,602	32,619,602	326,196,020	326,196,020
Investment Corporation of Bangladesh -	1.53%	15,113,312	15,113,312	151,133,120	151,133,120
Institutions	10.38%	102,702,586	109,266,266	1,027,025,860	1,092,662,660
General shareholders	9.79%	96,866,060	90,306,280	968,660,600	903,062,800
Total	100.00%	989,217,931	989,221,831	9,892,179,310	9,892,218,310

16.2 Classification of shares by holding at 30 June 2023

Slabs by number of shares	No. of Shares		% of Holding	
	30/06/2023	30/06/2022	30/06/2023	30/06/2022
Up to 500 Shares	6,434	6,214	37.05%	38.05%
501 to 5,000 Shares	8,321	7,644	47.92%	46.81%
5,001 to 10,000 Shares	1,168	1,090	6.73%	6.67%
10,001 to 20,000 Shares	659	635	3.79%	3.89%
20,001 to 30,000 Shares	231	208	1.33%	1.27%
30,001 to 40,000 Shares	107	91	0.62%	0.56%
40,001 to 50,000 Shares	97	84	0.56%	0.51%
50,001 to 100,000 Shares	147	148	0.85%	0.91%
100,001 to 1,000,000 Shares	166	174	0.96%	1.07%
Over 10,000,000 Shares	36	42	0.21%	0.26%
Total	17,366	16,330	100%	100%

17. Share money deposit

Opening balance

Add: Received during the year

Less: Refunded during the year

(Note:17.1)

2,579,773,606	2,057,918,478
247,760,450	521,855,128
2,827,534,056	2,057,918,478
59,361	-
2,827,474,695	2,579,773,606

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(IPGM-P-78)

System Loss Reduction Project(2188-2189)

Supply Efficiency Improvement project(2623)

Dhaka Clean Fuel Project(1943)

2,765,136,431	2,517,435,341
36,695,372	36,695,372
24,987,013	24,987,013
655,879	655,879
2,827,474,695	2,579,773,606



		Amount		
		30.06.2023	30.06.2022	
17.1 Share money deposit received during the year		247,760,450	521,855,128	
18. Reserve fund				
Hydrocarbon Development Fund		745,909,726	745,909,726	
General Reserve		62,648,827	62,648,827	
Other Capital Reserve		4,757,990	4,757,990	
Reserve for revaluation of share		(2,868,100)	(3,179,850)	
		810,448,443	810,136,693	
*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. The amount from the fund was used till 30 June 2007 as per the order of Petrobangla.				
19. Revenue reserve				
Opening Balance		60,082,582,060	59,078,658,302	
Net Profit for the Year		(1,651,361,965)	3,180,211,786	
		58,431,220,095	62,258,870,088	
Less: Cash dividend paid during the year		989,221,831	2,176,288,028	
		57,441,998,264	60,082,582,060	
20. Long term loans net of current maturity				
ADP loan	(Note: 20.1)	423,526,660	431,967,213	
Foreign loan	(Note: 20.3)	3,625,760,661	3,468,750,984	
		4,049,287,321	3,900,718,197	
Current portion of loans and other borrowings				
ADP loan	(Note: 20.2)	25,598,228	14,534,933	
Foreign loan	(Note: 20.4)	220,464,021	113,283,327	
		246,062,248	127,818,260	
20.1 ADP loan				
Opening balance		431,967,213	332,519,744	
Add: Addition during the year		17,246,716	113,982,401	
		449,213,929	446,502,145	
Less: Refund during the year		89,041	-	
Less: Transfer to current part		25,598,228	14,534,933	
		423,526,660	431,967,213	
Name of loan	Particulars	Rate of interest	30.06.2023	30.06.2022
ADP/GOB	Supply Efficiency Improvement Project	4.0%	30,460,196	34,811,652
ADP/GOB	Installation of Prepaid Gas Meter (IGPM)-P-78	1.0%	393,066,464	397,155,560
			423,526,660	431,967,213
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			25,598,228	14,534,933



Amount	
30.06.2023	30.06.2022

20.3 Foreign loan

Non-current portion

	Principle	Exchange rate fluctuation	30.06.2023 Taka	30.06.2022 Taka
Opening balance	3,425,467,561	43,283,423	3,468,750,984	2,894,295,313
Add: Additions during the year	354,393,957	29,303,378	383,697,336	687,738,999
	3,779,861,518	72,586,801	3,852,448,320	3,582,034,312
Less: ERF adjustment during the year	-	6,223,638	6,223,638	-
	3,779,861,518	66,363,163	3,846,224,681	3,582,034,312
Less: Current portion of loans	209,337,616	11,126,404	220,464,021	113,283,328
	3,672,918,300	55,236,759	3,625,760,661	3,468,750,984

20.4 Current portion of loans and other borrowings

	Principle	Exchange rate fluctuation	30.06.2023 Taka	30.06.2022 Taka
Opening balance	106,943,218	6,340,109	113,283,327	82,437,925
Addition during the year	209,337,616	11,126,404	220,464,021	113,283,328
	316,280,834	17,466,513	333,747,348	195,721,253
Less: Paid during the year	106,943,218	6,340,109	113,283,327	82,437,925
	209,337,616	11,126,404	220,464,021	113,283,327

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)

Name of loan provider and contract no.	Particulars	Rate of interest	30.06.2023	30.06.2022
ADB loan no. 2188 & 2189 BAN (SLRP)	Sanction amount: 1,364 lakh Repayment Period: 10 Years End Year: 2027-28	5.0%	84,742,794	90,950,181
ADB loan no 2623 BAN(SEIP)	Sanction amount: 1,090 lakh Repayment Period: 12 Years End Year: 2030-31	5.0%	88,645,030	86,983,538
JICA BD-P78 (EPGMP) 54249	Sanction amount: 11,113 lakh Repayment Period: 20 Years End Year: 2042-43	1.0%	3,452,372,837	3,290,817,265
			3,625,760,661	3,468,750,984



21. Deferred tax liability

Opening Balance
Addition during the year

Amount	
30.06.2023	30.06.2022
855,465,929	970,452,305
(127,642,440)	(114,986,376)
727,823,489	855,465,929

Property, plant and equipment
Applicable rate

	Carrying Amount	Tax Base	30.06.2023
			Taka
			Taxable Temporary Difference
	7,985,940,694	4,346,823,250	3,639,117,444
			20%
Deferred tax liability as on 30 June 2023			727,823,489
Deferred tax liability as on 30.06.2022			855,465,929
Deferred tax Expense/(Income) for the year ended 30 June 2023			(127,642,440)

Deferred tax liability as on 30 June 2023

Deferred tax liability as on 30.06.2022

Deferred tax Expense/(Income) for the year ended 30 June 2023

Property, plant and equipment

Applicable rate

Deferred tax liability as on 30 June 2022

Deferred tax liability as on 30.06.2021

Deferred tax expenses for the year ended 30 June 2022

	Carrying Amount	Tax Base	30.06.2022
			Taka
			Taxable Temporary Difference
	8,180,293,318	3,902,963,673	4,277,329,645
			20%
			855,465,929
			970,452,305
			(114,986,376)

22. Retirement benefit obligations

Pension fund
Gratuity fund
General provident fund

(Note: 22.1)	2,529,235,617	1,884,459,661
(Note: 22.2)	7,227,577	8,221,357
(Note: 22.3)	1,080,948,438	1,077,693,107
	3,617,411,632	2,970,374,125

22.1 Pension fund

Opening balance
Add: Company's contribution during the year
Add: Return on Investment

Less: Adjustment during the year

Less: Payment made during the year

	1,884,459,661	1,311,849,026
	1,383,462,368	1,301,617,619
	132,592,255	70,563,868
	3,400,514,284	2,684,030,512
	-	-
	3,400,514,284	2,684,030,512
	871,278,667	799,570,851
	2,529,235,617	1,884,459,661

The Sum of Tk.2,480,333,930.00 has been invested in FDR and ICB unit certificate.

22.2 Gratuity fund

Opening balance
Add: Company's contribution during the year

Less: Transfer to CPF fund

	8,221,357	15,121,759
	596,000	1,592,398
	8,817,357	16,714,157
	1,589,780	8,492,800
	7,227,577	8,221,357



	Amount	
	30.06.2023	30.06.2022
22.3 General provident fund		
Opening balance	1,077,693,107	1,077,591,138
Add: Employee's contribution during the year	71,279,759	71,531,080
Add: Return on Investment	57,663,811	76,725,933
	1,206,636,677	1,225,848,151
Less: Payment made during the year	125,688,239	148,155,044
	1,080,948,438	1,077,693,107

(a) This fund has been accumulated by employee's contribution and maintained by a Trustee. A separate bank account is being maintained by the Trustee.

(b) The Sum of Tk.101,44,80,187.00 has been invested in FDR and ICB unit certificate.

23. Leave pay

Opening balance	107,657,765	151,913,822
Add: Addition during the year	57,673,530	57,132,443
Add: Adjustment during the year	4,593	870,339
	165,335,888	209,916,604
Less: Payment made during the year	85,224,900	102,258,839
	80,110,988	107,657,765

(Note: 23.1)

23.1 Leave pay (Payment made during the year)

85,224,900 **102,258,839**

24. Customers' security deposits

Domestic	3,858,749,603	3,760,770,929
Domestic (Metered)	114,308,525	122,708,290
Commercial	1,019,272,854	892,035,978
Industrial	10,756,881,723	9,374,316,748
Captive Power	10,900,150,404	9,659,440,642
Feed gas for CNG	386,210,993	325,767,838
Seasonal	132,235	132,235
Power (Private)	2,440,816,067	1,967,297,626
	29,476,522,404	26,102,470,287

This amount represents deposits by the customers as security against gas connection as required under Gas Marketing Policy 2014 are shown as long-term liabilities. Such deposits are not payable till gas supply to the customers continues. However total sum of Tk.2,784,50,00,000 have been invested in FDR with banks.

25. Trade payables

Liabilities for gas production charge	(Note: 25.1)	6,562,762,192	6,398,106,829
Liabilities for transmission charges	(Note: 25.2)	1,769,982,510	1,121,762,252
Liability for Price Deficit Fund (PDF)	(Note: 25.3)	314,331,076	314,331,076
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)	2,081,244,177	2,510,186,802
Support for Shortfall	(Note: 25.7)	111,829,261	111,829,261
Liabilities for net charges for LNG	(Note: 25.8)	62,023,082,690	10,233,820,072
Liabilities for R-LNG Operational Charge (RPGCL)	(Note: 25.9)	-	24,098,975
Liabilities for VAT (GDF)	(Note: 25.10)	15,403	121,006,182
Liabilities for VAT	(Note: 25.11)	6,279,517,673	4,090,778,591
Provision for gas purchases liability	(Note: 25.12)	18,226,127,492	15,364,902,686
Energy Security Fund (ESF)	(Note: 25.13)	1,857,875,857	2,534,256,456
BERC Research Fund (BERCRF)	(Note: 25.14)	463,398,494	40,477,355
		99,714,582,653	42,889,972,364



Amount	
30.06.2023	30.06.2022

The gas price for end-users in different categories is determined and fixed by the BERC (Bangladesh Energy Regulatory Commission) as well as the Ministry of Power, Energy & Mineral Resources. For the financial year 2022-23, various charges were established by BERC Order # 2022/09 dated 04/06/2022, covering the period from July 2022 to January 2023. Conversely, various charges for the period from February 2023 to June 2023 were determined according to the gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

This end-user price, apart from the charges related to gas distribution, is allocated among various components. These components include the cost of gas production (Wellhead Margin), transmission costs, VAT charges, fees for various funds earmarked for future developments and contingencies, which are treated as trade payables. The company collects the total end-user price from its customers for the gas supplied and subsequently reimburses the amount for these other components of the gas price to the relevant parties, namely Petrobangla, BGFCL, BAPEX, GTCL, and RPGCL. The company retains only the distribution margin, which constitutes its primary source of income.

25.1 Liabilities for gas production charge

Opening balance	6,422,205,804	6,047,123,234
Add: Addition during the year	30,671,231,489	28,340,068,080
	37,093,437,293	34,387,191,314
Less: Paid during the year	30,530,675,101	27,964,985,510
	6,562,762,192	6,422,205,804

It consists of the amount payable for wellhead margin to national gas producing companies namely BGFCL & BAPEX along with LNG operational charge (RPGCL) payable to RPGCL and petrobangla margin charge and net gas charges for International Oil Companies' (IOC) payable to BOGMC. These charges are determined in accordance with BERC Order # 2022/09 dated 04/06/2022 and guidelines provided by Petrobangla, and SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

Company wise break-up is as follows :

Bangladesh Gas Fields Company Ltd.	708,286,223	594,542,754
BOGMC (IOC Net Charge & Petrobagla Charge)	5,588,534,007	2,845,624,372
LNG Operational Charge (RPGCL)	35,165,603	24,098,975
Gas Production Charge	-	2,743,607,478
Bangladesh Petroleum Exploration & Production Co. Ltd.	230,776,359	214,332,225
	6,562,762,192	6,422,205,804

25.2 Liabilities for transmission charges (GTCL)

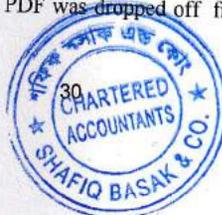
Opening balance	1,121,762,252	1,632,432,199
Add: Addition during the year	6,193,761,369	5,844,318,944
	7,315,523,621	7,476,751,143
Less: Paid during the year	5,545,541,111	6,354,988,891
	1,769,982,510	1,121,762,252

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	314,331,076	325,499,450
Add: Addition during the year	-	-
	314,331,076	325,499,450
Less: Adjusted with Wellhead Margin for BGFCL	-	11,168,374
	314,331,076	314,331,076

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 meet the possible deficit, if arises, in payment of gas bills against the 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.



25.4 Liabilities for BAPEX Margin

Opening balance
Add: Addition during the year

Less: Paid during the year

Amount	
30.06.2023	30.06.2022
12,175,242	12,175,242
-	-
12,175,242	12,175,242
12,175,242	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 BERC's order # 2018/03.

25.5 Deficit Wellhead Margin Fund for BAPEX (DWMFB)

Opening balance
Add: Addition during the year

Less: Paid during the year

12,240,586	12,240,586
-	-
12,240,586	12,240,586
12,240,586	12,240,586

DWMFB was created with effect from 1st July 2008 as per order No. জ্বাখসবি/উন্নয়ন-৩/বাপেক্সবিবিধ - ১৯/২০০৫ (অংশ) - ১৩ dated 04.01.2009 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 BERC order # 2018/03.

25.6 Gas Development Fund (GDF)

Opening balance
Add: Addition during the year

Less: Paid during the year

2,510,186,802	1,907,210,102
7,128,526,878	6,918,053,607
9,638,713,680	8,825,263,709
7,557,469,503	6,315,076,907
2,081,244,177	2,510,186,802

The Gas Development Fund (GDF) was established by BERC Order No. 2009/8, effective from August 2009. According to BERC's order and Gazette of the Ministry of Power, Energy & Mineral Resources, this fund represents a liability for the company, and the amount is payable to Petrobangla. For the financial year 2022-23, addition to Gas Development Fund was established by BERC Order # 2022/09, dated 04/06/2022, covering the period from July 2022 to January 2023 and for the period from February 2023 to June 2023 was determined in accordance with Gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

25.7 Support for Shortfall

Opening balance
Add: Addition during the year

Less: Paid during the year

111,829,261	111,829,261
-	-
111,829,261	111,829,261
111,829,261	111,829,261

Bangladesh Energy Regulatory Commission(BERC) 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 (BERC Order # 2017/02, Date : 23 February 2017) making it payable to Petrobangla was dropped off from 18/09/2018 by BERC's order # 2018/03.

25.8 Liabilities for net charges for LNG

Opening balance
Add: Addition during the year

Less: Paid during the year

10,233,820,072	17,579,138,001
184,391,040,772	106,044,755,219
194,624,860,844	123,623,893,220
132,601,778,154	113,390,073,148
62,023,082,690	10,233,820,072



Amount	
30.06.2023	30.06.2022

LNG Charge is payable to Petrobangla which was incorporated in the gas price as a new component by BERC's order # 2018/03 dated 16/10/2018, re-fixed by BERC's order # 2022/09 dated 04/06/2022 and SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

25.9 Liabilities for R-LNG Operational Charge (RPGCL)

Opening balance	-	39,496,079
Add: Addition during the year	-	105,907,729
	-	145,403,808
Less: Paid during the year	-	121,304,833
	-	24,098,975

The R-LNG (Regasified Liquefied Natural Gas) Charge is payable to RPGCL (Rupantarita Praktik Gas Co. Ltd.) for the regasification of imported LNG. This charge was newly incorporated by BERC's order # 2018/03 dated 16/10/2018, subsequently re-fixed by BERC's order # 2019/02 dated 30/06/2019, and again adjusted by BERC's order # 2022/09 dated 04/06/2022. Furthermore, it is covered in SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

In the earlier order, LNG operational charges were part of LNG charges. However, with BERC's order # 2022/09 dated 04/06/2022, they have been included in production charges. Therefore, in the current financial year, these charges are displayed under production charges rather than being listed separately.

25.10 Liabilities for VAT (GDF)

Opening balance	121,006,182	190,073,574
Add: Addition during the year	-	658,216,778
	121,006,182	848,290,352
Less: Adjustment	-	-
	121,006,182	848,290,352
Less: Paid during the year	120,990,779	727,284,170
	15,403	121,006,182

VAT(GDF) is a part of the VAT 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 natural LNG had been incorporated by BERC's order # 2018/03 dated 16/10/2018, re-fixed by BERC's order # 2022/09 dated 04/06/2022.

25.11 Liabilities for VAT

Opening balance	4,090,778,591	4,083,883,382
Add: Addition during the year	24,534,462,930	15,877,673,696
	28,625,241,521	19,961,557,078
Less: Paid during the year	22,345,723,848	15,870,778,487
	6,279,517,673	4,090,778,591

The VAT charge is payable to Petrobangla and production companies. These charge determined through various BERC (Bangladesh Energy Regulatory Commission) orders and Ministry of Power, Energy & Mineral Resources. For the financial year 2022-23, a range of charges was established through BERC Order # 2022/09 dated 04/06/2022, applicable for the period from July 2022 to January 2023. Conversely, charges for the period from February 2023 to June 2023 were determined in accordance with the gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

25.12 Provision for gas purchases liability

Opening balance	15,364,902,686	10,066,991,735
Add: Addition during the year	2,861,224,806	5,297,910,951
	18,226,127,492	15,364,902,686

To maintain consistency with previous years a provision of 3% on the total cost of sales for the first six months from July 2022 to December 2023 has been considered.



25.13 Energy Security Fund

Opening balance
Add: Addition during the year

Less: Paid during the year

Amount	
30.06.2023	30.06.2022
2,534,256,456	1,920,861,738
7,279,855,261	7,593,364,556
9,814,111,717	9,514,226,294
7,956,235,860	6,979,969,838
1,857,875,857	2,534,256,456

Energy Security Fund (ESF), another 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, Date : 27 August 2015. According to BERC's order and Gazette of the Ministry of Power, Energy & Mineral Resources, this fund represents a liability for the company, and the amount is payable to Petrobangla. For the financial year 2022-23, a range of charges was established through BERC Order # 2022/09 dated 04/06/2022, applicable for the period from July 2022 to January 2023. Conversely, charges for the period from February 2023 to June 2023 were determined in accordance with the gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources is payable to Petrobangla.

25.14 BERC Research Fund (BERCRF)

Opening balance
Add: Addition during the year

Less: Paid during the year

40,477,355	-
448,800,108	40,477,355
489,277,463	40,477,355
25,878,969	-
463,398,494	40,477,355

BERC Research Fund, an other component of end user gas price had been created from June 2022 by an order of Bangladesh Energy Regulatory Commission (BERC Order # 2022/09, Date : 04 June 2022) and re-fixed by the SRO No-14-Law/2023, Dated: 18 January 2023 of the Ministry of Power, Energy & Mineral Resource is payable to Bangladesh Energy Regulatory Commission. According to BERC's order and Gazette of the Ministry of Power, Energy & Mineral Resources, this fund represents a liability for the company, and the amount is payable to BERC.

Aging of the above Liabilities is given below:

Past due 0-30 days
Past due 31-90 days
Past due over 91 days

30,469,576,183	17,241,501,595
48,129,969,357	8,277,061,225
21,115,037,113	17,371,409,544
99,714,582,653	42,889,972,364

26. Group current accounts

Bangladesh Petroleum Exploration & Production Co. Ltd.
Sylhet Gas Fields Limited
Gas Transmission Co. Ltd.
Barapukuria Coal Mining Co. Ltd
Jalalabad Gas Transmission & Distribution Systems Ltd.
Rupantarita Prakritik Gas Co. Ltd.
Bangladesh Oil, Gas & Mineral Corporation- (Petrobangla)
Sundarban Gas Distribution Company Ltd

32,797,892	32,783,892
20,576	142,432
7,196,293	33,320,665
-	3,586
22,540,937	
1,190,899	1,198,395
575,036,583	575,062,228
13,839,991	138,312,591
652,623,172	780,823,789

27. Workers' Profit Participation Fund (WPPF) and Welfare Fund (WF) payable

Opening balance
Add: Addition during the

Less: Paid during the year (Note: 27.1)

99,117,157	154,930,380
	203,608,688
99,117,157	358,539,068
99,117,157	259,421,911
(0)	99,117,157

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). However, in the current financial year, the company did not generate a net profit, and therefore, no provision was made during this period.



27.1 Payment for WPPF during the year

Amount	
30.06.2023	30.06.2022
99,117,157	259,421,911

28. Provision for income tax

Opening balance
Add: Addition during the

32,012,475,657	31,209,135,986
-	803,339,671
32,012,475,657	32,012,475,657

As per the Finance Act of 2023, the income tax rate is set at 20% on the profit before income tax, in accordance with income tax laws that are in compliance with IAS-12 'Income Taxes.' However, in the current financial year, the company did not generate a net profit; instead, it incurred a net loss. Consequently, no provision was made during this period. 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 las ten years is:

Income Year	Assessment Year	Tax Provision (Taka)	Tax Demand/ (Refundable) (Taka)	Tax Paid (Taka)	Current Status
2012-13	2013-14	316.90	408.16	296.56	A reference application is filled in the Honourable High Court
2013-14	2014-15	352.95	-	325	Not received any assessment Order
2014-15	2015-16	321.51	321.51	308	A reference application is filled in the Honourable High Court
2015-16	2016-17	240.63	322.57	324	Tribunal order received +Set asaid+ partial High Court
2016-17	2017-18	174.49	-142.54	327	Tribunal order received +Set asaid+ Appeal Filed
2017-18*	2018-19	115.91	1689.65	343	Tribunal order received , Set-asaid hearing , No order Received
2018-19	2019-20	162.16	541.33	363	Tribunal order received +Sat -asaid Hearing+No order Received
2019-20	2020-21	144.8	108.81	396	Tribunal order received +Set asaid+ partial High Court
2020-21	2021-22	87.17	442.18	441	Appeal Filed
2021-22	2022-23	80.33		442	Retrun Submitted & Received hearing notice
	Total	1,996.85	3,691.67	3,565.00	

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



29 Unclaimed Dividend

Opening balance
Add: Addition during the year

Less: Paid during the year

Amount	
30.06.2023	30.06.2022
12,841,395	143,602,277
4,225,245	6,463,957
17,066,640	150,066,234
529,945	137,224,839
16,536,696	12,841,395

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 2022-23 as on 30.06.2023 is given below :

Dividend Year	Unpaid Dividend as on 30.06.2023
	Taka
2018-2019	5,967,072
2019-2020	6,344,378
2020-2021	4,225,245
Total	16,536,696

30 Liabilities for expenses

Accruals & provisions
Liabilities to govt., customers, contractors & employees
Other creditors
Liabilities against jobs for third parties for pipeline construction
Dividend Liabilities
Interest on foreign loan Liabilities
Liabilities against payroll accounts
Liabilities to other companies against salary accounts

Liabilities against jobs for third parties for replacement pipeline & others

612,243,490	591,594,173
141,182,689	114,435,438
380,389,904	357,108,379
820,263,425	775,163,822
2,680,326	4,949,214
410,335	111,026,316
2,770,674	5,083,432
261,159	272,969
2,398,653,981	1,681,770,522
4,358,855,982	3,641,404,265



31 Sales Revenue

Gas Sales Revenue
Operational Income

(Note-31.1)
(Note-31.2)

Amount In Taka	
2022-2023	2021-2022
254,879,814,607	176,350,806,789
10,208,581,638	7,351,576,123
265,088,396,246	183,702,382,913

31.1 Gas Sales Revenue

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

32,117,328,652	5,758,546,230
-	19,423,409,561
3,450,340,704	1,684,170,122
73,874,232,983	45,324,544,370
87,521,196,054	52,117,988,190
23,019,233,425	20,150,971,663
2,820,149,675	28,183,642,805
29,949,284,652	1,991,059,449
2,128,048,462	1,716,474,399
254,879,814,607	176,350,806,789

Since July 2022, Titas Gas has been preparing gas consumption certification known as a backdown certificate in accordance with the guidelines of Petrobangla and BERC orders. During this period, the private power category has been reclassified as the power rate and the captive power rate. As a result, there has been a rearrangement that involves the removal of the Private power category, which are now categorized under power and captive power.

Quantity wise schedule of sales relating to the financial statement for the year ended 30 June 2023 as required under Schedule XI, Part -II of the Companies Act 1994 is given:

Particulars	01 July 2022 to 30 June 2023		01 July 2021 to 30 June 2022	
	MMCM	Amount (TK)	MMCM	Amount (TK)
Power (PDB)	3,285	32,117,328,652	1,657	5,758,546,230
Power (Private)	-	-	1,484	19,423,409,561
Fertilizer	216	3,450,340,704	310	1,684,170,122
Industrial	4,075	73,874,232,983	4,443	45,324,544,370
Captive Power	4,330	87,521,196,054	4,790	52,117,988,190
Feed Gas for CNG	663	23,019,233,425	570	20,150,971,663
Domestic Meterd	154	2,820,149,675	149	1,991,059,449
Domestic Non-Metered	1,663	29,949,284,652	2,175	28,183,642,805
Commercial	72	2,128,048,462	79	1,716,474,399
Total	14,459	254,879,814,607	15,657	176,350,806,789

31.2 Operational Income

Meter rent
Higher Heating Value
Connection & reconnection charges
Late payment penalties*
Gas Sales (Domestic) for illegal use
Gas connection commission fees
Penalties and fines against metered customers
Penalties for Illegal use by domestic customers
Profit from sale of stores
Gas transmission Income**
Demand Charge***

701,811,273	498,423,300
3,646,712,704	1,819,038,608
18,879,749	20,298,829
1,984,936,353	1,686,864,906
123,611,283	110,715,252
385,394	198,391
684,307,138	407,403,030
26,685,708	20,639,987
164,949,771	96,430,911
198,348,067	180,940,803
2,657,954,199	2,510,622,105
10,208,581,638	7,351,576,123



Amount In Taka	
2022-2023	2021-2022

*Penalties and fines against metered customers and late payment penalties, were showed under the heading 'Late Payment Penalties' (Note: 31.2). These have now been rearranged separately and placed under a separate category, 'Operational Income' in same Note Number

**Transmission charge income from the gas transmitted through company's own transmission pipeline to Bakhraabad Gas Distribution Company Limited (BGDCL) and Jalalabad Gas Transmission & Distribution System Limited (JGTDSL) is shown under operational income.

***Demand Charge income on the approved load of the metered customers other than domestic ones is been incorporated from 01/07/2019 by BERC order # 2019/2 dated 30/06/2019. and continue last BERC order no # 2022/09 dated 04/06/2022

32 Cost of Sales

	Note-32.1	30,911,330,707	29,090,051,797
Gas production cost	Note-32.1	6,261,753,611	6,025,071,076
Gas Transmission Charge	Note-32.2	7,206,780,543	7,132,014,028
Gas Development Charge		7,359,770,139	7,828,210,882
Energy security fund (ESF) charge		453,726,827	41,729,232
BERC Research Fund Charges (BERCRF)		92,990,816	109,183,226
LNG Operational Charge-RPGCL		186,414,694,775	109,323,461,677
LNG Charge-BOGMC(PB)		24,803,790,895	16,368,735,769
VAT for Gas Purchase		-	678,573,998
VAT for Gas Development Fund.			
		263,504,838,312	176,597,031,685

Particulars	01 July 2022 to 30 June 2023		01 July 2021 to 30 June 2022	
	MMCM	Amount(TK)	MMCM	Amount(TK)
Power (PDB)	3,422	31,163,120,347	1,691	7,200,477,762
Power (Private)	-	-	1,515	6,436,789,014
Fertilizer	229	3,582,071,517	317	1,644,431,592
Industrial	4,239	75,336,354,169	4,534	45,172,250,490
Captive Power	4,504	90,381,036,431	4,888	63,617,316,256
Feed Gas for CNG	691	23,816,332,209	582	20,420,481,734
Domestic Metered	178	2,785,447,205		
Domestic Non-Domestic	1,927	34,354,641,778	2,371	30,262,376,452
Commercial	75	2,085,834,657	80	1,842,908,385
Total	15,265	263,504,838,312	15,978	176,597,031,685

Since July 2022, Titas Gas has been preparing gas consumption certification known as a backdown certificate in accordance with the guidelines of Petrobangla and BERC orders. During this period, the private power category has been reclassified as the power rate and the captive power rate. As a result, there has been a rearrangement that involves the removal of the Private power category, which are now categorized under power and captive power. Another rearrangement has been shown in the above note: the meter domestic category is now separate from the domestic customer category.

32.1 Gas Production Charge

Production cost consists of wellhead margin for national gas fields, petrobangla charge for BOGMC, LNG Operational Charge and net charge for IOCs' gas as per BERC order # 2022/09, dated 04/06/2022. Segment wise Production cost is as follows-

Wellhead margin for BGFCL	3,031,557,148	2,939,361,885
Wellhead margin for BAPEX	1,164,258,466	1,121,641,296
Petrobangla Charge for BOGMC	905,292,533	815,786,743
LNG Operational Charge-RPGCL	92,711,910	-
Petrobangla*	-	2,828,461,317
Net charges for IOC gas	25,717,510,650	21,384,800,556
	30,911,330,707	29,090,051,797



Amount In Taka	
2022-2023	2021-2022

Production charge is determined in accordance with BERC Order #2022/09 dated 04/06/2022, guidelines provided by Petrobangla, and SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

In the earlier BERC order #2022/09 dated 04/06/2022, they had issued an order to pay the entire amount of production charges to Petrobangla. However, due to certain considerations, Petrobangla has provided guidelines to make payments for wellhead margin to national gas producing companies, namely BGFCL & BAPEX, LNG operational charges paid to RPGCL, Petrobangla margin charges and net gas charges for International Oil Companies (IOCs) paid to Petrobangla.

Particulars	01 July 2022 to 30 June 2023		01 July 2021 to 30 June 2022	
	MMCM	Amount (TK)	MMCM	Amount (TK)
BOGMC (IOC, R-LNG)	10,552	26,715,515,093	11,204	25,029,048,616
BGFCL	4,326	3,031,557,148	4,375	2,939,361,885
BAPEX	388	1,164,258,466	399	1,121,641,296
Total	15,265	30,911,330,707	15,978	29,090,051,797

32.2 Gas Transmission Charge

Gas Transmission Cost

6,261,753,611 **6,025,071,076**

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

33 Administrative expenses

Salary and allowance	3,838,327,531	3,378,160,742
MD's Remuneration	2,239,196	1,806,460
Professional services	32,179,924	27,332,080
Audit fees	833,750	759,000
Promotional costs	9,446,892	7,799,380
Power costs	34,942,767	37,811,018
Communication costs	7,205,806	9,702,252
Transport costs	163,726,709	157,941,628
Occupancy costs	177,927,843	187,079,429
Administrative costs	150,376,184	194,562,308
Miscellaneous costs	506,658,904	228,764,216
Financial charges	19,999,615	15,933,136
Bad & doubtful debts provision	756,997,274	
Depreciation charges	1,090,576,623	1,010,146,663
Unrealised foreign exchange loss	(Note:33.1) 23,079,740	18,938,707
	6,814,518,757	5,276,737,018

33.1 Unrealised foreign exchange loss

Significant Change of foreign exchange loss occurred due to significant change in dollar rate.

23,079,740 **18,938,707**

34 Transmission & Distribution expenses

152,131,579 **200,077,282**

Transmission & distribution expenses include repair and maintenance of plant & equipments, transmission and distribution related gas pipe line, disconnection & reduction of system loss, publicity of reduction of system loss and operational advertisement.



	Amount In Taka	
	2022-2023	2021-2022
35 Other operating Income		
Other penalties & fines received	1,255,553	1,486,966
Sale of bill books & application forms	142,570	197,085
House rent income & recoveries	112,590	115,603
Income from Consultancy Service	91,041,754	22,486,533
Testing charges from suppliers	375,055	98,782
Transport income	913,245	1,146,681
Profit on disposal of fixed assets	65,373	10,125,849
Sale of scrap	-	13,472,278
Sale of tender documents	2,724,607	1,815,200
Enlistment & renewal fees	73,900	2,307,100
Other Liquidated Damage	-	5,000,000
Other rental income	2,100,066	553,000
Load Increase and Decrease fee	454,600	792,700
Killing and Caping fee	647,433	923,122
Name/Owner Change fee	427,500	596,000
Miscellaneous income *	362,387,898	24,296,765
Office rent income & recoveries	7,020,400	6,170,400
Sale of gas condensate	14,640,836	17,166,889
	484,383,379	108,750,953
36 Finance costs		
Interest on ADP (LOCAL) loans	3,538,246	1,675,311
Interest on foreign (ADB ,OECF& JICA) loans	24,599,802	10,070,747
	28,138,047	11,746,058
37 Investment Income		
Interest income on bank deposits (FDR)	2,025,599,820	1,541,187,378
38 Finance income		
Interest income on bank deposits (STD)	816,245,157	514,273,556
Interest on land purchase & house building loans	87,793,907	101,075,927
Interest on motor cycle loan	3,400,110	3,081,243
Interest on Computer loan	207,997	134,166
Interest on loan to Gas Transmission Co. Ltd.	214,595,676	186,879,678
	1122242846	805444570
39 Current Tax		
Provision for income tax during the year	-	803,339,671

As per the Finance Act of 2023, the income tax rate is set at 20% on the profit before income tax, in accordance with income tax laws that are in compliance with IAS-12 'Income Taxes.' However, in the current financial year, the company did not generate a net profit; instead, it incurred a net loss. Consequently, no provision was made during this period. Computation of total taxable income and tax liability during the year is given in Annexure- C.



40 Other comprehensive income

Fair value adjustment of marketable securities

Amount In Taka	
2022-2023	2021-2022
311,750	498,800

41 Earning per share

Basic EPS

Net Profit attributable to the ordinary shareholders

Number of ordinary shares outstanding

(1,651,361,965)	3,180,211,786
989,221,831	989,221,831
(1.67)	3.21

Starting from June 2022, the Bangladesh Energy Regulatory Commission (BERC) re-fixed the company's distribution margin through BERC order #2022/09, reducing it from 0.25 to 0.13 per cubic meter. On the other hand, During the 2022-2023 financial year, the company reported a system loss of 5.28% of which allowable system loss is 2%. That's why the company had to bear a huge amount of purchase liability without getting any revenue, resulting in a net loss of Tk. 165.14 crore. Considering these leading to a significant decrease in the company's earning per share (EPS).

42 Net operating cash flow per share (NOCFPS)

Net operating cash flows

Number of ordinary shares outstanding

12,170,857,522	300,157,262
989,221,831	989,221,831
12.30	0.30

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

43 Net Asset Value (NAV) Per Share

Net Assets (Total Assets- Liabilities)

Number of ordinary shares outstanding

70,972,139,712	73,364,710,669
989,221,831	989,221,831
71.75	74.16

44 Reconciliation of net profit with cash flows from operating activities:

Net Profit Before Tax

Adjustments for:

Adjustment for WPPF

Depreciation

Bad Debt

Foreign exchange loss

Interest Payment Adjustment

Profit/ loss on the sale of fixed assets

Income Tax Adjustment

Investment Income

(1,779,004,405)	3,868,565,081
-	(203,608,688)
1,090,576,623	1,010,146,664
756,997,274	-
23,079,740	18,938,707
110,615,981	(34,427,352)
(65,373)	(10,125,849)
(5,629,455,020)	(4,421,263,603)
228,809,919	(20,974,054)

Changes in:

Inventories

Accounts receivable

Advance, deposit & prepayments

Group Current Account

Other Current Asset

Trade and Other Payable

Liability for Expenses

Net Cashflows from operating activities

(903,571,174)	(314,780,148)
(38,763,911,901)	(820,336,536)
(52,382,940)	384,224,531
(228,184,726)	185,581,720
(228,403,782)	232,889,596
56,824,610,289	(999,486,140)
721,147,018	1,424,813,333
12,170,857,522	300,157,261



45 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.

45.1 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	
	30.06.2023	30.06.2022
Investments		
Intercompany	36,093,181,017	33,112,869,267
Loan to employees	9,102,077,125	9,984,736,325
Inventories	3,360,770,438	2,893,079,114
Trade & other receivables	2,991,324,866	2,087,753,692
Advance, deposit & prepayments	99,583,402,558	59,310,158,648
Group current accounts	52,823,535,688	47,141,697,728
Other current assets	296,327,163	196,343,054
Cash and bank balances	1,796,827,816	1,568,424,034
	23,119,126,731	13,891,502,549
	229,166,573,403	170,186,564,411

Credit exposure by credit rating

	As at 30 June 2023	
	Amount	(%)
Investments		
Intercompany loan	36,093,181,017	15.75
Loan to employees	9,102,077,125	3.97
Inventories	3,360,770,438	1.47
Trade & other receivables	2,991,324,866	1.31
Advance, deposit & prepayments	99,583,402,558	43.45
Group current accounts	52,823,535,688	23.05
Other current assets	296,327,163	0.13
Cash and bank balance	1,796,827,816	0.78
Cash in hand		
Cash at bank	97,769	0.00
	23,119,028,962	10.09

45.2 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 following are the contractual maturities of financial liabilities as at 30 June 2023



45 Financial risk management

Particulars	Carrying Amount	Maturity period	Int. rate	Within 6 months or less	Within 6 -12 months	More than 1 year
	Taka		%	Taka	Taka	Taka
Long term loans net off current maturity	4,049,287,321	Latest June 2043	1-5	-	-	4,049,287,321
Deferred tax liability	727,823,489	-	-	-	-	727,823,489
Retirement benefit obligations	3,617,411,632	-	-	364,514,173	358,727,252	2,894,170,206.36
Leave pay	80,110,988	-	-	28,023,169	29,650,361	22,437,458
Customers' security	29,476,522,404	-	-	-	-	29,476,522,404
Current portion of loans and other borrowings	246,062,248	June 2024	1-5	123,031,124	123,031,124	-
Trade payable	99,714,582,653	-	-	36,898,033,656	62,816,548,997	-
Group current accounts	652,623,172	-	-	-	652,623,172	-
Workers' profit participation fund (WPPF) and WF payable	-	-	-	-	-	-
Provision for income tax	32,012,475,657	-	-	-	-	32,012,475,657
Liabilities for expenses	4,358,855,982	-	-	3,051,199,187	1,089,713,995	217,942,799
	174,935,755,546			40,464,801,310	65,070,294,902	69,400,659,334

45.3 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.

45.4 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 2023.

45.5 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.

Amount	
30.06.2023	30.06.2022

46 Commitment to sanction loan

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

1,641,100,000	1,641,100,000
2,106,700,000	2,491,300,000
3,747,800,000	4,132,400,000

47 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 30.06.2023 Receivable/ (Payable)	Outstanding as on 30.06.2022 Receivable/ (Payable)
Petrobangla	Controlling Authority		(53,427)	(71,865)	(18,438)
BAPEX	Inter-company	Gas Purchase	(17)	(231)	(214)
BGFCL	Inter-company	Gas Purchase	(113)	(708)	(595)
RPGL	Inter-company	Gas Purchase	(11)	(35)	(24)
GTCL	Inter-company	Gas Transmission	(648)	(1,770)	(1,122)
BAPEX	Inter-company	Inter-company loan	(130)	715	845
GTCL	Inter-company	Inter-company loan	(1,138)	8,002	9,140
	Total		(55,484)	(65,892)	(10,408)



45 Financial risk management

ii) Particulars of Directors of Titas Gas Transmission and Distribution Company Limited

Name of Directors	BOD of TGTDCCL	Entities where they have interests
Mr. Md. Nurul Alam	Chairman	Secretary, Energy & Mineral Resources Division
Mr. Zanendra Nath Sarker	Director	Chairman, Petrobangla
Mr. Md. Saidur Rahman	Director	Chairman, BCIC
Engr. Md. Mahbubur Rahman	Director	Chairman, BPDB
Ms. Monira Begum	Director	PS-I to the PM (Joint Secretary), Prime Minister's Office
Dr. Nasima Akhter	Independent Director	Joint Secretary, Finance Division
Eng. Md. Haronur Rashid Mullah	Director	Managing Director, Titas Gas T& D Co.Ltd
Mr. Md. Saiful Islam	Independent Director	N/A
Mr. Tonmoy Ahmed	Director	N/A

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

The company had 2040 permanent employees as at 30 June 2022 and 1921 permanent employees as at 30 June 2023. All permanent employees receive remuneration in excess of Tk. 216,100 per annum each.

Number of Employee:

Head Office Staff
Other than Head Office

	30.06.2023	30.06.2022
Number of Staff		
	620	784
	1,301	1,256
	1,921	2,040

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

Managing Director remuneration and benefit

	2,239,196	1,806,460
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50 Events after the reporting period

The Board of Directors have recommended 5 % cash dividend of Tk.494,610,916 for the year ended 30 June 2023 in their board meeting held on 25th October 2023 subject to approval of the shareholders in the Annual General Meeting. The financial statements for the year ended 30 June 2023 do not include the effect of cash dividend which will be accounted for the period when the shareholders' right to receive the payment is established.

51 Comparative information

Comparative information in the following major areas have been rearranged to conform to current year's presentation:

51.1 LNG operational charges

In the earlier BERC order, LNG operational charges were part of LNG charges. However, with BERC's order # 2022/09 dated 04/06/2022, they have been included in production charges. Therefore, in the current financial year, these charges are displayed under production charges rather than being listed separately.

51.2 Penalties and fines against metered customers

Previously, penalties and fines against metered customers and late payment penalties, were showed under the heading 'Late Payment Penalties' (Note: 31.2). These have now been rearranged separately and placed under a separate category, 'Operational Income' in same Note Number.

51.3 Rearrangement of private power to power and captive power

Since July 2022, Titas Gas has been preparing gas consumption certification known as a backdown certificate in accordance with the guidelines of Petrobangla and BERC orders. During this period, the private power category has been reclassified as the power rate and the captive power rate. As a result, there has been a rearrangement that involves the removal of the Private power category, which are now categorized under power and captive power. (Note: 31.1)



Titas Gas Transmission and Distribution Company Limited
Schedule of Property, Plant and Equipment
As at 30 June 2023

Name of Assets	Cost				Depreciation/Amortization				Net book value as on 30-06-2023
	Value as on 30-06-2022	Adjustments during the year	Additions during the year	Value as on 30-06-2023	Accumulated dep. as on 30-06-2022	Adjustments during the year	Charged during the year	Accumulated dep. as on 30-06-2023	
1	2	3	4	5 (2+3+4)	6	7	8	9 (6+7+8)	10 (5-9)
Land	1,594,882,056	-	2,751,439	1,597,633,494	-	-	-	-	1,597,633,494
Buildings	1,322,278,470	-	115,788,894	1,438,067,364	661,506,306	-	40,760,823	702,267,129	735,800,235
Furniture & fixtures	116,739,352	(3,403,687)	13,992,016	127,327,681	94,333,016	(669,865)	5,437,503	99,100,655	28,227,026
Office equipments	645,123,364	(1,495,864)	26,006,362	669,633,863	586,462,746	-	19,052,409	605,515,154	64,118,708
Other equipments	120,550,809	-	24,145,504	144,696,314	112,163,546	-	3,501,589	115,665,135	29,031,179
Transmission & distribution lines	24,610,291,158	(18,282,505)	738,211,581	25,330,220,233	17,261,945,132	-	974,019,461	18,235,964,593	7,094,255,640
Water services	39,940,483	-	615,623	40,556,106	34,940,397	-	1,567,160	36,507,558	4,048,548
Vehicles	752,896,791	-	-	752,896,791	686,286,110	-	36,196,537	722,482,648	30,414,144
Integrated software	57,682,409	-	-	57,682,409	47,694,660	-	9,987,748	57,682,408	1
Other assets	2,901,709	(23,789)	-	2,877,919	2,779,313	-	53,393	2,832,706	45,213
Total as on 30-06-2023	29,263,286,600	(23,205,845)	921,511,418	30,161,592,174	19,488,111,227	(669,865)	1,090,576,623	20,578,017,985	9,583,574,188
Total as on 30-06-2022	28,344,772,134	(85,177,633)	1,003,692,100	29,263,286,600	18,552,855,265	(74,890,699)	1,010,146,664	19,488,111,230	9,775,175,374



Titas Gas Transmission and Distribution Company Limited

Aging of Trade Debtors

As at 30 June 2023

Category of Receivables	Dues Over 90 days	Dues up to 31-90 Days	Dues up to 30 Days	Total	Annexure -B
					(Figures in Taka)
					2021-22
Power (PDB)	7,687,764,701	4,771,276,000	3,172,984,567	15,632,025,268	4,250,749,131
Power (Private)	14,431,778,057	6,078,452,000	4,648,941,623	25,159,171,680	13,248,340,024
Fertilizer	1,925,485,751	928,305,000	183,948,405	3,037,739,155	437,908,594
Industrial	10,814,719,103	1,202,290,564	10,377,648,866	22,394,658,533	13,678,755,668
Captive Power	6,640,666,615	745,132,207	9,143,641,087	16,529,439,909	10,634,703,992
Feed Gas for CNG	3,174,982,051	209,046,699	2,218,330,188	5,602,358,938	5,606,010,864
Domestic(Metered)	622,058,576	73,191,191	262,156,369	957,406,136	762,804,383
Domestic(Un-Metered)	14,909,371,128	1,006,863,069	2,408,395,544	18,324,629,741	18,127,843,279
Commercial	681,561,057	51,809,720	202,770,218	936,140,995	796,213,236
Seasonal	45,266,461	-	-	45,266,461	45,266,461
Total Trade Receivables	60933653499	15066366451	32618816867	108,618,836,817	67,588,595,633
Less: Provision for bad & doubtful debts				9,035,434,258	8,278,436,984
Net Trade Receivables				99,583,402,558	59,310,158,648



TITAS GAS TRANSMISSION & DISTRIBUTION CO. LTD.
Computation of Total Taxable Income & Tax Liability

Annexure-C

Income Year: 2022-2023
Assessment Year: 2023-2024

Particulars	Amount in Taka
Net profit before Tax (as per accounts)	(1,779,004,405)
Less: Capital Gain	-
Add: WPPF For Capital Gain	-
Actual Net Profit	(1,779,004,405)
Add: Provision for Bad & Doubtful debts	756,997,274
Total Taxable Income	(1,022,007,131)
Add: Depreciation as per Accounts	1,090,576,623
Less: Depreciation as per IT Schedule	451,694,557
Total Taxable Income	(383,125,065)
Tax Payable @ 20%	-
Tax Payable (Current Tax)	-



Titas Gas Transmission & Distribution Company Limited
Depreciation Schedule of Fixed Assets for the Asstt. Year: 2023-2024 (As per Tax Authority)

SL No	Particulars	WDV as on 01.07.2022	Accounting Addition	Additions per ITO	Delection	Total	Rate	Depreciation	Annexure-D WDV as on 30.06.2023
1	2	3	4	5	6	7=(4+5+6)	8	9=(7X8)	10=(7-9)
1	Land	992,658,706	2,751,439	2,751,439	-	995,410,144	0%	-	995,410,144
2	Building	451,865,930	115,788,894	115,788,894	-	567,654,824	5%	28,382,741	539,272,082
3	Pipe line & Dev.	3,196,999,352	738,211,581	738,211,581	(18,282,505)	3,916,928,428	10%	391,692,843	3,525,235,585
4	Office Equipment	122,814,961	26,006,362	26,006,362	(1,495,864)	147,325,460	10%	14,732,546	132,592,914
5	Other Equipment	19,113,854	24,145,504	24,145,504	-	43,259,358	10%	4,325,936	38,933,422
6	Furniture & Fixture	36,408,300	13,992,015	13,992,015	(3,403,687)	46,996,628	10%	4,699,663	42,296,965
7	Vehicles	62,952,351	-	-	-	62,952,351	10%	6,295,235	56,657,116
8	Water Service	10,262,098	615,623	615,623	-	10,877,721	10%	1,087,772	9,789,949
9	Other Assets	291,654	-	-	(23,789)	267,865	10%	26,786	241,078
10	Integrated Software	2,255,172	-	-	-	2,255,172	20%	451,034	1,804,138
	Total	4,895,622,378	921,511,418	921,511,418	(23,205,845)	5,793,927,951		451,694,557	5,342,233,394

Total 4,895,622,378
Less: Land 992,658,706
Tax Base **3,902,963,673**

Total 5,342,233,394
Less: Land 995,410,144
Tax Base **4,346,823,250**

