

**Titas Gas Transmission and Distribution PLC.**

**Independent Auditor's Report  
and Audited Financial Statements  
For the year ended 30 June 2024**

**Independent Auditor's Report  
To the Shareholders of Titas Gas Transmission and Distribution PLC.**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the financial statements of Titas Gas Transmission and Distribution PLC. (the "Company" or "TGTDPLC"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information 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 Titas Gas Transmission and Distribution PLC. as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

- a. Long-term liabilities as disclosed in note # 26 to the financial statements include customers' security deposit of Tk. 3,383.84 crore as at 30 June 2024. The Head Office of the Company maintains control ledgers with the information received from Zone offices. But during our audit at Zone offices, out of the said amount we could not confirm the amount of Tk. 64.91 crore with the records of Zone offices as these offices' general ledgers were not updated. Further, any list, address or any other particulars of the parties could not be made available to us. As a result, we could not ensure by accuracy of the balances from the records of the Zone offices as well as sending balance confirmation letters to the parties.
- b. 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. 139.28 crore has been recognized as interest income up to 30 June 2024 and included in Trade Receivables shown in note # 11. On the other hand, the Company accounted for meter rent/service charge and demand charge on its customer namely, Bangladesh Power Development Board (BPDB) for Tk. 222.69 crore and demand charge on Electricity Generation Company of Bangladesh Limited (EGCBL) for Tk. 29.55 crore up to the financial year 2023-2024. Further, the Company accounted for another income of Higher Heating Value (HHV) from EGCBL amounting to Tk. 38.84 crore up to the financial year 2023-2024. The Company has been recognizing these income as well as receivables since the year 2002. Out of the said aggregated amount of Tk. 430.36 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/service charge, demand charge and higher heating value which remained unrealized since long. As a result, there is a substantial doubt as regards to the realization of the said penal interest, meter rent/service charge, demand charge and higher heating value receivable which require full provision in the financial statements of the Company.



In addition, note # 11 to the financial statements includes Provision for bad and doubtful debts amounting to Tk. 927.38 crore from non-bulk customers as at 30 June 2024 which was determined at the rate of 5% on increased amount of only non-bulk trade receivables during the year for which necessary Board resolution as well as approval from BPDB for such decision was given. But trade receivables balance of more than 03 (three) years' outstanding from bulk customers stood at Tk. 6,590.48 crore as at 30 June 2024, which is 45% of total trade receivables of the Company for which no provision was kept thereof.

- c. Required provision for pension fund of the eligible employees of the Company as at 30 June 2024 was Tk. 1,092.60 crore as per actuarial valuation done by M/s. AIR Consulting Limited. As on the said date the Company's kept provision for the pension fund as disclosed in note # 24.1 to the financial statements was only Tk. 316.56 crore resulting in a shortfall of provision for Tk. 776.04 crore for the said fund. Though the Company as per decision taken by the Board of Directors has been maintaining provision for pension fund for Tk. 100.08 crore every year, still the Company has shortfall of provision for pension fund as per the actuary valuation.
- d. Receivable from Encashment of FDR for Tk. 58.61 crore as disclosed in note # 14 represents investment in Fixed Deposit Receipt (FDR) with Padma Bank Limited (formerly known as "The Farmers Bank Limited"). Because of weak credit worthiness of the said bank there is a substantial doubt as regards to the realization of the said investment which required full provision in the financial statements. But necessary provision in this regard has not been made in the financial statements of the Company.
- e. The carrying amount of inventories as disclosed in note # 10 to the financial statements of the Company as at 30 June 2024 is Tk. 397.02 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 by the inventory committee as at 30 June 2013 identified dead stock worth Tk. 10.44 crore and obsolete stock worth Tk. 3.33 crore at that time, but no adjustments in respect of this verification were given in the financial statements for these items. Further, the Company has not made any further physical verification of inventories up to the financial year 2023-2024. As alternative procedures, we conducted physical verification of inventories of the Company as at 30 June 2024 and identified dead stock worth Tk. 31.37 crore and obsolete stock worth Tk. 4.62 crore. As a result, the carrying amount of inventories of the Company as at 30 June 2024 included huge quantities of dead stock and obsolete stock, and appears to be overstated for Tk. 35.99 crore.
- f. As per subsidiary loan agreement (SLA) between the Government of the Republic of Bangladesh and Titas Gas Transmission and Distribution PLC. (TGTDPCLC), the Company has received Tk. 351.62 crore as equity and recognized it as Share Money Deposit as disclosed in note # 17 to the financial statements. As per Gazette Notification No. ১৪৬/এফআরসি/প্রশাসঃ/প্রজ্ঞাপন/২০২০/০১ dated 02 March 2020 issued by the 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 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 (EPS). However, the outstanding amount of such Share Money Deposit which was not converted into share capital and considered in the calculation of EPS of the Company as per the instruction given by FRC stands at Tk. 317.42 crore as at 30 June 2024.
- g. As per decision taken by the Board of Directors in their 840th Meeting dated 08 October 2023, the Company established a policy on Accumulated Depreciation Fund which will be maintained by a separate Board of Trustees. Any types of fund, i.e. Accumulated Depreciation Fund, Depreciation Fund, should be established from the transfer of retained earnings of a Company, not from the cash balance. Considering the said policy, the Company also invested in Fixed Deposit Receipt



(FDR) for the purpose of Accumulated Depreciation Fund amounting to Tk. 475.00 crore as disclosed in note # 7 to the financial statements and the Depreciation Fund amounting to Tk. 28.13 crore as disclosed in note # 23 to the financial statements without recognizing the said interest income in the statement of profit or loss and other comprehensive income which resulted understatement of net profit of the Company for the year ended 30 June 2024. The said policy is not appropriate as per Para 30 & 31 of IAS 16: *Property, Plant and Equipment* and should be revised.

- h. Note # 49 to the financial statements, which disclosed the Company's related party transactions amounting to Tk. 5,395.42 crore during the year ended 30 June 2024 as per IAS 24: *Related Party Disclosures*. We sent direct balance confirmation letters to the inter-companies, but the companies did not send any response to our confirmation letters. As a result, it casted substantial doubt as regards to the accuracy of balances so disclosed in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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

Without modifying our opinion, we draw attention to the following facts as disclosed in-

- i) Note # 8 and 49 to the financial statements, which describes that the Company issued loans to Gas Transmission Company Limited (GTCL) and Bangladesh Petroleum Exploration and Production Company Limited (BAPEX) amounting to Tk. 929.95 crore and Tk. 58.50 crore respectively. These two companies are related parties to TGTDPLC. Some of the Directors of TGTDPLC are also the Directors of these two companies. But as per BSEC Order No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 10 September 2006, loan to such companies could not be given without approval of the shareholders in general meeting. The Company did not obtain approval from AGM for giving such loans. However, the Company had to give those loans to GTCL and BAPEX as per decisions of the government to implement various energy projects of those companies/government under the approval of ECNEC and Ministry of Power, Energy and Mineral Resources of the Government of Bangladesh.
- ii) Provision for Income Tax as disclosed in note # 30 to the financial statements represents that the National Board of Revenue (NBR) claimed Tk. 4,801.42 crore from TGTDPLC on account of income tax liabilities on net income of the Company for the years from AY 2009-10 to AY 2022-23 in respect of which the Company has kept a total provision for Tk. 1,668.46 crore only up to 30 June 2024. However, the Company filed to the competent authorities against the demand of NBR and outcomes of the appeals are yet to be known.
- iii) Note # 15 to the financial statements, which states that the Company has cash at bank balance amounting to Tk. 2341.33 crore as at 30 June 2024 comprising 171 no. of collection and mother/operational accounts. Out of the said 171 no. of bank accounts, 55 no. of collection accounts amounting to Tk. 33.34 crore and 13 no. of mother/operational accounts amounting to Tk. 15.89 crore were not reconciled as at 30 June 2024.

iv) Retirement benefit obligations as disclosed in note # 24 to the financial statements include Pension Fund of Tk. 316.56 crore, Gratuity Fund of Tk. 0.57 crore and General Provident Fund of Tk. 110.36 crore. IAS 19: *Employee Benefits* stated that assets and liabilities of funds should not be recognized in the Company's financial statements if they are controlled by the trustees and not the Company. However, the said funds have separate board of trustees as well as bank accounts, but are recognized in the financial statements of the Company.

### 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. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the matters were addressed in our audit
<b>1. Revenue Recognition</b>	
See note # 33 to the financial statements	
<p>Revenue recognition has significant and wide influence on financial statements.</p> <p>At the year end the Company reported total revenue of Tk. 35,692.92 crore, equivalent to 101.78% 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 is recognized on fixed rate basis. The Company recognizes sales revenue in accordance with the order issued by Bangladesh Energy Regulatory Commission (BERC), i.e., BERC order # 2019/02 dated 30 June 2019.</p> <p>Therefore, there is a risk of revenue being misstated due to incorrect recognition.</p>	<p>Our audit procedures to address the risks of material misstatement relating to revenue recognition, which was considered to be a significant risk, includes the testing of design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Recalculation of consumption units and bill amounts;</li> <li>• Evaluation of meter reading process along with proper authorization;</li> <li>• Segregation of duties in invoice creation and modification;</li> <li>• Effectiveness of the information systems to record and present accurate amount of revenue;</li> <li>• Payment habits of customers and its overall impact on operational cash flows;</li> <li>• Timing of revenue recognition, etc.</li> </ul> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> <li>• Obtaining supporting documentation for sales transactions recorded either side of year to determine whether revenue was recognized in the correct period;</li> <li>• Obtaining supporting documentation and records from different zones and zonal sales offices to match with accounts revenue control account;</li> <li>• Reviewing accounting records and overall information generation systems;</li> <li>• Reviewing gas sales agreements with customers (Bulk) and underlying policy documentation</li> </ul>



Key audit matters	How the matters were addressed in our audit
	<p>with a view to ensuring that agreed terms were properly adhered to; and</p> <ul style="list-style-type: none"> <li>• Critically assessing manual journals posted to revenue to identify unusual or irregular items, etc.</li> </ul>
<b>2. Property, plant and equipment and capital work-in-progress</b>	
See notes # 5 & 6 to the financial statements	
<p>At the reporting date, the carrying value of the Company's property, plant and equipment and capital work-in-progress amounted to Tk. 4829.07 crore and Tk. 911.75 crore respectively, which represent 13.77% and 2.60% of total assets respectively. The valuation of property, plant, and equipment and capital work in progress were identified as a key audit matter due to the significance of this balance to the financial statements, as well as the significance of management's judgments in determining its valuation.</p> <p>In considering the valuation of property, plant, and equipment, we focused on the assessment of the followings:</p> <ul style="list-style-type: none"> <li>• Inherent risks associated with property, plant and equipment.</li> <li>• Potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>• Assessment of useful lives of assets.</li> <li>• Assessment of impairment of assets.</li> </ul> <p>Inherent risks associated with property, plant and equipment</p> <ul style="list-style-type: none"> <li>• Property, plant and equipment may include assets that should have been derecognized following sale, other transfer of rights, abandonment or impairment.</li> <li>• Expenditure that should have been recognized as property, plant and equipment but has not been so recognized, including capitalized finance costs.</li> <li>• Depreciation may have been incorrectly calculated.</li> <li>• Potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>• Purchase of an asset at an inflated price especially from a related party.</li> <li>• Wrong write-off of the asset as scrap,</li> </ul>	<ul style="list-style-type: none"> <li>• We obtained an understanding of the client and its environment to consider inherent risk related to property, plant, and equipment. Our understanding includes: <ul style="list-style-type: none"> <li>➢ Obtaining an understanding of the internal control over property, plant, and equipment.</li> <li>➢ Assessing the risks of material misstatement and designing tests of controls and substantive procedures that cover the following aspects: <ul style="list-style-type: none"> <li>• Substantiate the existence of property, plant, and equipment.</li> <li>• Establish the completeness of recorded property, plant, and equipment.</li> <li>• Verify the cut-off of transactions affecting property, plant, and equipment.</li> <li>• Establish the proper valuation or allocation of property, plant, and equipment and the accuracy of transactions affecting property, plant, and equipment.</li> <li>• Determine the correctness and appropriateness of classification of property, plant and equipment.</li> </ul> </li> </ul> </li> <li>• We obtained an understanding of the potential misstatements in property, plant, and equipment on account of frauds and errors.</li> <li>• 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: <i>Property, Plant and Equipment</i>.</li> <li>• 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.</li> <li>• 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</li> </ul>



Key audit matters	How the matters were addressed in our audit
<p>obsolescence, missing, donated, or destroyed.</p> <ul style="list-style-type: none"> <li>• Expenditures for repairs and maintenance recorded as property, plant and equipment or vice versa.</li> <li>• Capitalization of expenditure which are not normally attributable to the cost of the property, plant and equipment.</li> <li>• Recording of an asset purchased, which in effect has not actually been received by the entity at all.</li> </ul> <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>	<p>and not yet ready for intended use are classified as work-in-progress.</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul>
<p><b>3. Measurement of Current Tax and Deferred Tax Liability</b></p>	
<p>See note # 30 &amp; 41 to the financial statements</p>	
<p>The Company reported current tax expense of Tk. 881.91 crore in the current year and measured deferred tax income of Tk. 9.68 crore.</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>

Key audit matters	How the matters were addressed in our audit
<p>As at 30 June 2024, the Company's current tax provision accumulated to Tk. 4,083.16 crore. With the enactment of the Income Tax Act, 2023 (updated by the Finance Act, 2024), the impact on Company's current tax position is material and relevant changes to the current tax provision in the law.</p> <p>The Company reported net deferred tax liability totaling Tk. 652.73 crore as at 30 June 2024. 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 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, we assessed the appropriateness and presentation of disclosures as per IAS 12: <i>Income Taxes</i>.</p>
<b>4. IT systems and controls</b>	
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 Matter

The financial statements of the Company as at and for the year ended 30 June 2023 were audited by M/s. Shafiq Basak & Co., Chartered Accountants who expressed modified opinion on those statements on 25 October 2023.

## 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.

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

## 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 IFRSs, the Companies Act, 1994, the Securities and Exchange Rules 1987, relevant circulars and guidelines issued by Bangladesh Securities and Exchange Commission (BSEC), relevant notifications issued by Financial Reporting Council (FRC), 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

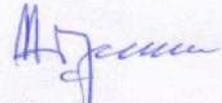
### Report on Other Legal and Regulatory Requirements

As required by the Companies Act, 1994, the Securities and Exchange Rules, 1987 and relevant circulars and guidelines 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 account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dhaka,  
24 October 2024

Signed for and on behalf of  
**ACNABIN**  
Chartered Accountants



**Md. Moniruzzaman, FCA**  
Partner

ICAB Enrollment No. 787

DVC:2410290787AS110375

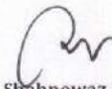
**Titas Gas Transmission and Distribution PLC.**  
**Statement of Financial Position**  
**As at 30 June 2024**

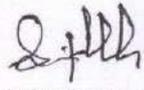
	Notes	30 June 2024 Taka	30 June 2023 Taka
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment (at cost less Depreciation)	5	48,290,650,722	9,583,574,188
Capital work in progress	6	9,117,484,512	7,174,284,364
Investments	7	40,281,871,667	36,093,181,017
Inter-company loan	8	9,884,456,475	9,102,077,125
Loan to employees	9	3,402,958,827	3,360,770,438
		<b>110,977,422,203</b>	<b>65,313,887,132</b>
<b>Current Assets</b>			
Inventories	10	3,970,167,423	2,991,324,866
Trade receivables less provision for bad and doubtful debt	11	146,855,951,914	99,583,402,558
Advances, deposits and prepayments	12	61,004,074,780	52,823,535,688
Group current accounts	13	621,240,238	296,327,163
Other current assets	14	3,850,177,301	1,796,827,816
Cash and cash equivalents	15	23,414,032,139	23,119,126,731
		<b>239,715,643,795</b>	<b>180,610,544,822</b>
<b>TOTAL ASSETS</b>		<b>350,693,065,998</b>	<b>245,924,431,954</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>			
Share capital	16	9,892,218,310	9,892,218,310
Share money deposit	17	3,516,150,928	2,827,474,695
Reserve fund	18	809,139,093	810,448,443
Revaluation Surplus	19	33,365,921,513	-
Revenue reserve	20	49,506,618,028	57,441,998,264
		<b>97,090,047,872</b>	<b>70,972,139,712</b>
<b>Non-Current Liabilities</b>			
Long term loans net of current maturity	21	4,790,457,511	4,049,287,321
Deferred tax liability	22	6,527,337,214	727,823,489
Depreciation Fund	23	281,320,000	-
Retirement benefit obligations	24	4,274,917,980	3,617,411,632
Leave pay	25	41,801,490	80,110,988
Customers' security deposits	26	33,838,373,529	29,476,522,404
		<b>49,754,207,724</b>	<b>37,951,155,834</b>
<b>Current Liabilities</b>			
Current portion of long term loans	21	306,638,324	246,062,248
Trade payables	27	157,104,357,167	99,714,582,653
Group current accounts	28	679,341,651	652,623,172
Workers' profit participation fund and WF payable	29	67,448,551	-
Provision for income tax	30	40,831,557,739	32,012,475,657
Unclaimed Dividend	31	6,231,903	16,536,696
Liability for expenses	32	4,853,235,067	4,358,855,982
		<b>203,848,810,402</b>	<b>137,001,136,408</b>
<b>Total Liabilities</b>		<b>253,603,018,126</b>	<b>174,952,292,242</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>350,693,065,998</b>	<b>245,924,431,954</b>
<b>Net assets value per share (NAV)</b>	45	<b>98.15</b>	<b>71.75</b>

The annexed notes from 1 to 52 form an integral part of these financial statements.

  
Md. Lutful Hyder Masum  
Company Secretary

  
Arpana Islam  
General Manager (Finance)

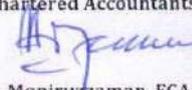
  
Shahnewaz Parvez  
Managing Director

  
M. Saifullah Panna  
Chairman

This is the statement of financial position referred to in our separate report of even date.

Dhaka,  
24 October 2024

Signed for and on behalf of  
**ACNABIN**  
Chartered Accountants

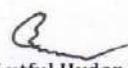
  
Md. Moniruzzaman, FCA  
Partner  
ICAB Enrollment No. 787

DVC:2410290787AS110375

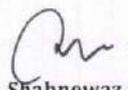
**Titas Gas Transmission and Distribution PLC.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 30 June 2024**

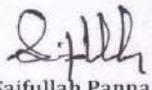
	Notes	2023-2024 Taka	2022-2023 Taka
<b>Revenue</b>	33	356,929,196,210	265,088,396,246
Less: Cost of sales	34	353,654,548,401	263,504,838,312
<b>Gross profit</b>		<b>3,274,647,809</b>	<b>1,583,557,934</b>
Less: Operating expenses		<b>6,284,232,845</b>	<b>6,966,650,336</b>
General administrative expenses	35	6,053,653,821	6,814,518,757
Transmission & distribution expenses	36	230,579,024	152,131,579
Add: Other operating income	37	316,609,015	484,383,379
<b>Gross operating loss</b>		<b>(2,692,976,021)</b>	<b>(4,898,709,024)</b>
Less: Finance cost	38	46,512,553	28,138,047
<b>Net operating loss for the year</b>		<b>(2,739,488,574)</b>	<b>(4,926,847,071)</b>
Add: Non-operating income		4,088,459,591	3,147,842,666
Investment income	39	2,534,336,778	2,025,599,820
Financial income	40	1,554,122,813	1,122,242,846
<b>Profit/(loss) before WPPF and WF</b>		<b>1,348,971,017</b>	<b>(1,779,004,405)</b>
Less: Provision for contribution to WPPF and WF		67,448,551	-
<b>Profit/(loss) before income tax</b>		<b>1,281,522,466</b>	<b>(1,779,004,405)</b>
Less: Income tax expenses		8,722,291,785	(127,642,440)
Current tax	41	8,819,082,081	-
Deferred tax	22	(96,790,296)	(127,642,440)
<b>Net loss after income tax for the year</b>		<b>(7,440,769,319)</b>	<b>(1,651,361,965)</b>
<b>Other Comprehensive Income</b>			
Revaluation surplus net of tax	42	33,365,921,513	-
Unrealized loss on share investment	42	(1,309,350)	311,750
		<b>33,364,612,163</b>	<b>311,750</b>
<b>Total Comprehensive Income/(Loss)</b>		<b>25,923,842,845</b>	<b>(1,651,050,215)</b>
<b>Earnings per Share (EPS)</b>	43	<b>(7.52)</b>	<b>(1.67)</b>

The annexed notes from 1 to 52 form an integral part of these financial statements.

  
**Md. Lutful Hyder Masum**  
Company Secretary

  
**Arpana Islam**  
General Manager (Finance)

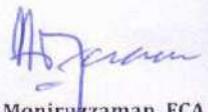
  
**Shahnewaz Parvez**  
Managing Director

  
**M. Saifullah Panna**  
Chairman

This is the statement of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,  
24 October 2024

Signed for and on behalf of  
**ACNABIN**  
Chartered Accountants

  
**Md. Moniruzzaman, FCA**  
Partner  
ICAB Enrollment No. 787

DVC:2410290787AS110375

**Titas Gas Transmission and Distribution PLC.**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2024**

(Amount in Taka)

Particulars	Share Capital	Share Money Deposit	Reserve Fund	Revaluation Surplus	Revenue Reserve	Total Shareholders' Equity
Balance as at 01 July 2023	9,892,218,310	2,827,474,695	810,448,441	-	57,441,998,263	70,972,139,712
Net loss after income tax for the year	-	-	-	-	(7,440,769,319)	(7,440,769,319)
Cash Dividend for the year 2022-23 @ 5%	-	-	-	-	(494,610,916)	(494,610,916)
Revaluation Surplus	-	-	-	39,262,225,534	-	39,262,225,534
Deferred Tax expense on revalue asset	-	-	-	(5,896,304,021)	-	(5,896,304,021)
Share money deposit transferred from long term loan	-	711,976,797	-	-	-	711,976,797
Fair value adjustment of marketable securities	-	-	(1,309,350)	-	-	(1,309,350)
Adjustment of Share money deposit	-	(23,300,564)	-	-	-	(23,300,564)
<b>Balance as at 30 June 2024</b>	<b>9,892,218,310</b>	<b>3,516,150,928</b>	<b>809,139,091</b>	<b>33,365,921,513</b>	<b>49,506,618,028</b>	<b>97,090,047,872</b>

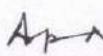
**For the year ended 30 June 2023**

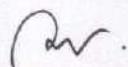
Particulars	Share Capital	Share Money Deposit	Reserve Fund	Revaluation Surplus	Revenue Reserve	Total Shareholders' Equity
Balance as at 01 July 2022	9,892,218,310	2,579,773,606	810,136,691	-	60,082,582,059	73,364,710,669
Net loss after income tax for the year	-	-	-	-	(1,651,361,965)	(1,651,361,965)
Cash 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)
<b>Balance as at 30 June 2023</b>	<b>9,892,218,310</b>	<b>2,827,474,695</b>	<b>810,448,441</b>	<b>-</b>	<b>57,441,998,263</b>	<b>70,972,139,712</b>

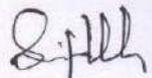
The annexed notes from 1 to 52 form an integral part of these financial statements.

Dhaka,  
24 October 2024

  
 Md. Lutful Hyder Masum  
 Company Secretary

  
 Arpana Islam  
 General Manager (Finance)

  
 Shahnewaz Parvez  
 Managing Director

  
 M. Saifullah Panna  
 Chairman

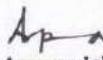
**Titas Gas Transmission and Distribution PLC.**  
**Statement of Cash Flows**  
**For the year ended 30 June 2024**

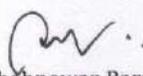
Notes	2023-2024 Taka	2022-2023 Taka
<b>A. Cash flows from operating activities</b>		
Receipts from revenue	309,112,452,753	223,996,560,462
Interest received	3,913,311,120	2,830,017,501
Other Income received	138,691,533	109,540,596
Payment against gas purchase	(296,264,779,095)	(206,684,293,320)
Payment for salary & other cost	(3,729,624,421)	(3,679,969,778)
Payment for WPPF	-	(99,117,157)
Inter Company a/c's	3,337,307	3,836,912
Interest paid	(46,512,553)	(139,164,364)
Income tax paid	(8,189,513,548)	(5,629,455,020)
Advance, Deposits & Prepayments	(511,109,629)	(164,222,613)
Other Creditors	1,138,609,913	1,627,124,303
<b>Net cash from operating activities</b>	<b>46</b> <b>5,564,863,381</b>	<b>12,170,857,522</b>
<b>B. Cash flows from investing activities</b>		
Fixed deposit	(4,190,000,000)	(2,980,000,000)
Security received from customers	4,420,230,948	3,500,762,545
Loan re-payment made by BAPEX	130,000,000	130,000,000
Loan to GTCL	(1,770,000,000)	(384,600,000)
Loan re-payment made by GTCL	863,473,075	1,137,259,200
Other current assets	(2,605,302,868)	-
Acquisition of fixed assets	(2,355,545,167)	(1,168,479,863)
Acquisition of stores	(403,410,180)	(2,106,125,203)
Employees' loan	(420,845,914)	(864,894,809)
Gratuity fund	(1,967,660)	-
Leave pay	(94,055,891)	(85,220,307)
Pension fund	276,848,033	444,561,097
Provident fund	(104,204,072)	(70,135,110)
<b>Net cash used in investing activities</b>	<b>(6,254,779,697)</b>	<b>(2,446,872,450)</b>
<b>C. Cash flows from financing activities</b>		
Share money received	711,976,798	247,760,450
Share money deposit refunded	-	(59,361)
Loan received	1,023,588,766	371,551,634
Re-payment of long-term loan	(246,062,247)	(127,818,260)
Dividend paid	(504,681,593)	(987,795,353)
<b>Net cash flow from/(used in) financing activities</b>	<b>17</b> <b>984,821,724</b>	<b>(496,360,890)</b>
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	<b>294,905,409</b>	<b>9,227,624,182</b>
<b>E. Effect of unrealized foreign exchange gain/(loss)</b>	<b>-</b>	<b>-</b>
<b>F. Cash and cash equivalents at the beginning of the year</b>	<b>23,119,126,731</b>	<b>13,891,502,549</b>
<b>G. Cash and cash equivalents at the end of the year (D+E+F)</b>	<b>23,414,032,139</b>	<b>23,119,126,731</b>
<b>Net Operating Cash Flow per Share (Taka)</b>	<b>44</b> <b>5.63</b>	<b>12.30</b>

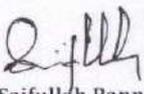
The annexed notes from 1 to 52 form an integral part of these financial statements.

Dhaka,  
24 October 2024

  
Md. Lutful Hyder Masum  
Company Secretary

  
Arpana Islam  
General Manager (Finance)

  
Shahnewaz Parvez  
Managing Director

  
M. Saifullah Panna  
Chairman

**Titas Gas Transmission and Distribution PLC.**  
**Notes to the Financial Statements**  
**As at and for the year ended 30 June 2024**

**1. Background and Introduction**

Titas Gas Transmission and Distribution PLC. (hereinafter referred to as "TGTDPLC 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 TGTDPLC had been able to supply gas to two power stations, one fertilizer factory and about 2000 customers in other categories.

Since its inception, the company has steadily expanded its operations. As of now, the company manages a gas pipeline network spanning approximately 13,421.45 km. It serves a diverse customer base, which includes a total of 2,883,119 gas connections, comprising: 17 Government Power Stations, 9 Private Power Stations (Power Rate), 36 Private Power Stations (Power Rate and Captive Power Rate), 2 Fertilizer Factories in the bulk category.

**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), Financial Reporting Act 2015, 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, 1984;
- The Value Added Tax and Supplementary Duty Act, 2012;
- The Value Added Tax and Supplementary Duty Rules, 2016;
- The Customs Act, 1969;
- The Bangladesh Labour Act, 2006 (Amended in 2013 & 2018);
- Bangladesh Energy Regulatory Commission; etc.

**2.3 Authorization for issue**

The audited financial statements as at and for the year ended 30 June 2024 were authorized to issue by the Board of Directors on 24 October 2024.

**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 TGTDPLC's ability to continue as a going concern. TGTDPLC 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: 27 Trade payables

Note: 30 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 No.	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 No.	Title	Remarks
7	Financial Instruments: Disclosures	Complied
9	Financial Instruments	Complied
13	Fair Value Measurement	Complied
15	Revenue from Contracts with Customers	Complied

### 3. Material accounting policies

#### 3.1 Property, plant and equipment (PPE)

##### i) Recognition and Measurement

Property, plant & equipment are recognized if it is probable that future economic benefits associated with the assets will flow to the company and the cost of the assets can be reliably measured. All fixed assets are stated at cost less accumulated depreciation as per 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.

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

##### ii) Subsequent costs

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

##### iii) Depreciation

Depreciation is charged on property, plant and equipment (except land) 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 vary from 2.50% to 30% p.a. based on useful lives and nature of the assets. Rates of depreciation and amortization are as follows:

Category of PPE	Rate (%)
Land and land development	Nil
Building	2.50-10
Furniture & fixtures	10-15
Office equipment	15
Other equipment	15-30
Transmission & distribution lines	3.33-10
Water services	10-20
Vehicles	20
Integrated Software	20
Other assets	10-25

##### iv) Revaluation surplus

Revaluation reserve represents the difference between book value and revalued value of land and land development. Revaluation is done with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The fair value is determined from market-based evidence by appraisal considering cut-off date at 30 June 2023 by ACNABIN Chartered Accountants and ZA Capital Advisory (in collaboration) as consultants, who are professionally qualified consultant and valuer and the revaluation was approved in 855th Board meeting dated 30 May 2024.

### **3.2 Intangible assets**

- i. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably.
- ii. Software represents the value of computer application software licensed for the use of the company. Intangible assets are carried at its cost, less accumulated amortization and impairment loss (if any).
- iii. Initial cost comprises license fees paid at the time of purchase and other directly attributable expenditure that are incurred in customizing the software for its intended use.
- iv. Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software.
- v. The web-based integrated customized software, commonly known as the TGTDPLC 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.

### **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.

### **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. Inventories of the Company are valued at cost.

### **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 the original invoice amount, less an estimate made for doubtful debts, if any, based on a review of all outstanding amounts at the period end. Trade receivables represent the cumulative outstanding amounts for all categories of customers, including Power, Captive Power, Industry, CNG, Commercial, and Domestic.

#### **3.5.2 Cash and bank balances**

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

### **3.6 Financial liabilities**

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

#### **3.6.1 Trade payables**

These liabilities are recorded at the amount payable for settlement in respect of gas supplied through Titas's gas pipeline network. Trade payables are calculated as per orders from the BERG (Bangladesh Energy Regulatory Commission) and gazettes from the Ministry of Power, Energy & Mineral Resources. For the financial year 2023-24, trade payables were calculated according to Gazette SRO No-14-Law/2023, dated 18 January 2023, SRO No-40-Law/2024, dated 25 February 2024, and SRO No-105-Law/2024, dated 29 April 2024, issued by the Ministry of Power, Energy & Mineral Resources.

### **3.6.2 Loans and borrowings**

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

### **3.6.3 Provisions**

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

### **3.6.4 Liability for expenses**

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

### **3.7 Employees' benefit schemes**

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

#### **i) Pension Fund**

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

#### **ii) Provident Fund**

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

#### **iii) Gratuity Fund**

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

#### **iv) Workers' Profit Participation Fund**

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

### **3.8 Revenue recognition**

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

The Company recognizes revenue on consumption basis at the end of month to the consumers (except domestic consumers) for consumption of gas. The domestic consumers' revenue are recognized on fixed rate basis. Operational income arising from meter rent, late payment penalties, 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 2024, 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, According to Tax Law 2023, Section 163(3)(Ka), the minimum tax was not applied to "any company related to gas transmission or distribution." As a transmission and distribution company, Titas Gas utilized this provision and claimed a refund for excess tax deducted at source over its actual tax liability. However, this year, the Finance Act 2024, Section 54 abolished Section 163(3)(Ka). As a result, tax deducted at source will now be treated as the minimum tax if the actual tax liability is lower than the tax deducted at source. Consequently, the company has recognized the entire amount of tax deducted at source as a current tax expense.

#### **Deferred Tax**

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per IAS-12 "Income Taxes".

#### **3.11 Finance income and costs**

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

#### **3.12 Expenditure**

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

#### **3.13 Earnings per share (EPS)**

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

#### **3.14 Statement of cash flows**

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

#### **4. General**

- a) The financial statements are presented in Bangladeshi Taka (BDT/Taka/Tk.) which is both functional currency and presentational 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.



		30 June 2024 Taka	30 June 2023 Taka
<b>5. Property, plant and equipment</b>			
<b>Written Down Value-Freehold Assets</b>	(Note: 5.1)	9,076,071,294	9,583,574,188
<b>Written Down Value-Revalued Assets</b>	(Note: 5.2)	39,214,579,428	-
		<b>48,290,650,722</b>	<b>9,583,574,188</b>
<b>5.1 Freehold Assets</b>			
<b>(A) Cost</b>			
Opening Balance		30,161,592,174	29,263,286,600
Less: Impairment Loss		(219,745,395)	-
		29,941,846,779	29,263,286,600
Add: Addition during the year		526,745,019	921,511,418
Less: Disposal during the year		(92,900)	23,205,845
		<b>30,468,498,898</b>	<b>30,161,592,174</b>
<b>(B) Accumulated depreciation</b>			
Opening Balance		20,578,017,985	19,488,111,227
Add: Charged during the year		814,409,619	1,090,576,623
		21,392,427,604	20,578,687,850
Less: Adjustment for disposal		-	669,865
		<b>21,392,427,604</b>	<b>20,578,017,985</b>
<b>(C) Written down value (A-B)</b>		<b>9,076,071,294</b>	<b>9,583,574,188</b>
<b>5.2 Revalued Assets</b>			
<b>(A) Cost/Revaluation</b>			
Opening Balance		-	-
Add: Revaluation surplus		39,262,225,534	-
		<b>39,262,225,534</b>	<b>-</b>
<b>(B) Accumulated depreciation</b>			
Opening Balance		-	-
Add: Charged during the year		47,646,106	-
		<b>47,646,106</b>	<b>-</b>
<b>(C) Written down value (A-B)</b>		<b>39,214,579,428</b>	<b>-</b>
<p>As per the board's approval, Titas Gas Transmission and Distribution PLC. appointed ACNABIN Chartered Accountants and ZA Capital Advisory (in collaboration) as consultants to revalue its fixed assets. The consulting firms submitted their report on 27 March 2024, which was approved at the 855th meeting of the Board of Directors of Titas Gas Transmission and Distribution PLC.</p> <p>According to the revaluation as of June 30, 2023, the value of land increased by Tk. 39,122,821,711.62, the value of buildings increased by Tk. 139,174,805.96, and the value of water service increased by Tk 229,016.89, resulting in a total increase in fixed assets of Tk. 39,262,225,534.47. Due to the revaluation, the increased asset values were reflected in the company's financial report for the fiscal year 2023-2024, indicating a significant change in the value of property, plant, and equipment.</p> <p>Schedule of property, plant and equipment is given in <b>Annexure - A</b>.</p>			
<b>6. Capital work in progress</b>			
Opening balance		7,174,284,364	6,904,110,074
Add: Addition during the year		2,053,984,539	1,125,664,695
Less: Adjustment during the year		-	305,663,979
		9,228,268,903	7,724,110,790
Less: Capitalized to property, plant & equipment		110,784,391	549,826,427
		<b>9,117,484,512</b>	<b>7,174,284,364</b>
<b>Capital work in progress includes:</b>			
Civil work in greater titas franchise area		8,524,876	8,270,129
Installation of pre paid gas meter project (JICA)		8,964,492,829	7,166,014,234
Network expansion/reformation work		144,266,807	-
Smart Metering Energy Efficiency Improvement Project (Installation of Prepaid Gas Meter for TGTDCCL)-SMEEIP		100,000	-
Gas Sector Efficiency Improvement & Carbon Abatement Project [Installation of Smart Prepaid Gas Meter for TGTDCCL]-GSEICAP		100,000	-
		<b>9,117,484,512</b>	<b>7,174,284,364</b>

	30 June 2024 Taka	30 June 2023 Taka
<b>7. Investments</b>		
Investment in FDR (Govt. Bank)	34,260,000,000	34,785,000,000
Investment in FDR (Scheduled Private Bank)	5,310,000,000	595,000,000
ICB Unit Certificate	709,814,117	709,814,117
Investment in Listed Stock (Note: 7.1)	2,057,550	3,366,900
	<b>40,281,871,667</b>	<b>36,093,181,017</b>

**7.1 Investment in Listed Stock**

Name of the Company	No. of Shares	Cost Value	Market Price Per Share as at 30.06.2024	Market Value as at 30.06.2024	Unrealized Loss as at 30.06.2024
ICB Islamic Bank	623,500	6,235,000.00	3.30	2,057,550.00	(4,177,450)

The share of ICB Islamic Bank (former Oriental Bank Ltd) had been allotted in favour of the company by the bank as per the decision of Bangladesh Bank 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.

**7.2 Break up of long term investments**

Customers' security deposit	31,505,000,000	27,845,000,000
Accumulated Depreciation	4,750,000,000	4,750,000,000
General provident fund	1,014,480,187	1,014,480,187
Pension fund	3,010,333,930	2,480,333,930
General fund	-	-
Investment in share (ICB Islamic Bank)	2,057,550	3,366,900
	<b>40,281,871,667</b>	<b>36,093,181,017</b>

**8. Inter-company loan**

Loan to GTCL (Note: 8.1)	9,299,456,475	8,387,077,125
Loan to BAPEX (Note: 8.2)	585,000,000	715,000,000
	<b>9,884,456,475</b>	<b>9,102,077,125</b>

**8.1 Loan to GTCL**

Opening Balance	8,387,077,125	9,139,736,325
Add: Addition during the year	1,770,000,000	384,600,000
	10,157,077,125	9,524,336,325
Less: Repayment during the year (Note: 8.1.1)	857,620,650	1,137,259,200
	<b>9,299,456,475</b>	<b>8,387,077,125</b>

As per approval by the Titas Board, the company finance in various projects developed by Gas Transmission Company Limited (GTCL). For the financial year 2023-24, the company financed Tk. 177.00 crore, and as per the repayment schedule, GTCL repaid Tk. 85.76 crore. As a result, at the end of the financial year 2023-24, the total amount of Tk. 929.94 crore is receivable from GTCL, with a detailed project-wise breakup provided below:

Project wise breakup of Loan to GTCL	2023-2024 Taka	2022-2023 Taka
Loan to Bibiana-Dhanua Gas Transmission Pipe Line Project (GTCL)	1,142,022,375	1,405,566,000
Loan to Anowara-Faujdarhat Gas Transmission Pipe Line Construction Project (GTCL)	1,192,812,500	1,335,950,000
Loan to Moheshkhali-Anowara Gas Transmission Pipe Line Construction Project (GTCL)	3,745,680,000	4,096,837,500
Loan to Moheshkhali-Zero Point Gas Transmission Pipe Line Construction Project (GTCL)	1,064,341,600	1,164,123,625
Loan to GTCL for "Bakrabad-Meghnaghat-Haripur Gas Transmission Pipe Line Construction Project."	1,784,600,000	384,600,000
Loan to GTCL for "INSTALLATION AND MODIFICATION OF GAS STATIONS AT OFF-TRANSMISSION POINTS OF GTCL."	370,000,000	-
<b>Total Loan to GTCL</b>	<b>9,299,456,475</b>	<b>8,387,077,125</b>

<b>30 June 2024</b>	<b>30 June 2023</b>
<b>Taka</b>	<b>Taka</b>

**8.1.1 Loan refund & repaid by GTCL (Repayment during the year)**

Project wise breakup of Loan to GTCL		
Loan to Bibiana-Dhanua Gas Transmission Pipe Line Project (GTCL)	263,543,625	351,391,500
Loan to Anowara-Faujdarhat Gas Transmission Pipe Line Construction Project (GTCL)	143,137,500	190,850,000
Loan to Moheshkhali-Anowara Gas Transmission Pipe Line Construction Project (GTCL)	351,157,500	461,975,000
Loan to Moheshkhali-Zero Point Gas Transmission Pipe Line Construction Project (GTCL)	99,782,025	133,042,700
<b>Loan refund &amp; repaid by GTCL (Repayment during the year)</b>	<b>857,620,650</b>	<b>1,137,259,200</b>

**8.2 Loan to BAPEX**

Loan to BAPEX	715,000,000	845,000,000
Less: Repayment during the year	130,000,000	130,000,000
	<b>585,000,000</b>	<b>715,000,000</b>

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 TGTDPCL had to pay Tk.130 crore which was approved in the board of TGTDPCL consequently. Accordingly the company had paid Tk.130 crore for implementing the joint venture project. As per loan repayment schedule BAPEX has repaid Tk.13,00,00,000 in FY 2023-24.

**9. Loan to employees**

Land and house building loan	(Note: 9.1)	3,332,307,715	3,278,546,993
Motorcycle loan	(Note: 9.2)	66,687,236	77,089,418
Computer loan	(Note: 9.3)	3,963,876	5,134,027
		<b>3,402,958,827</b>	<b>3,360,770,438</b>

The company provides 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 Balance as at 30.06.2024
HB/ LP Loan	3,217,060,281	102,624,459	12,622,975	3,332,307,715
Motor Cycle Loan	65,403,304	660,968	622,963	66,687,236
Computer Loan	3,918,682	30,785	14,409	3,963,876
<b>Total</b>	<b>3,286,382,267</b>	<b>103,316,213</b>	<b>13,260,348</b>	<b>3,402,958,827</b>

**9.1 Land and house building loan**

Opening balance	3,278,546,993	2,799,907,936
Add: Addition during the year	553,882,878	1,164,837,518
	3,832,429,871	3,964,745,455
Less: Realized during the year	500,122,156	686,198,462
	<b>3,332,307,715</b>	<b>3,278,546,993</b>

**9.2 Motorcycle loan**

Opening balance	77,089,418	88,779,318
Add: Addition during the year	8,721,566	12,206,918
	85,810,984	100,986,236
Less: Realized during the year	19,123,748	23,896,818
	<b>66,687,236</b>	<b>77,089,418</b>

		30 June 2024 Taka	30 June 2023 Taka
<b>9.3 Computer loan</b>			
Opening balance		5,134,027	4,391,860
Add: Addition during the year		683,993	2,488,070
		5818019.32	6879930.06
Less: Realized during the year		1,854,144	1,745,904
		<b>3,963,876</b>	<b>5,134,027</b>
<b>10. Inventories</b>		<b>3,970,167,423</b>	<b>2,991,324,866</b>
<b>11. Trade receivables less provision for bad and doubtful debt</b>			
Bulk customer	(Note: 11.1)	86,477,499,455	43,828,936,103
Non-bulk customer	(Note: 11.2)	69,652,279,176	64,789,900,714
		156,129,778,632	108,618,836,817
Less: Provision for bad & doubtful debts	(Note: 11.3)	9,273,826,718	9,035,434,259
		<b>146,855,951,914</b>	<b>99,583,402,558</b>
<b>11.1 Bulk customer</b>			
Power (PDB)		34,977,227,683	15,632,025,268
Fertilizer		6,192,835,341	3,037,739,155
Power (Private)		45,307,436,431	25,159,171,680
		<b>86,477,499,455</b>	<b>43,828,936,103</b>
<b>11.2 Non-bulk customer</b>			
Industrial		23608831014	22394658533
Captive Power		17960021802	16529439909
Feed Gas for CNG		5586295510	5602358937
Domestic		21383202889	19282035877
Commercial		1068661501	936140994.6
Seasonal		45266461.61	45266461.61
		<b>69,652,279,176</b>	<b>64,789,900,714</b>
<b>I. Debt considered good in respect of which the company is fully secured</b>			
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.			
<b>II. Debt considered good for which the company hold no security</b>			
Receivables from PDB and BCIC are unsecured but considered good.			
<b>III. Debt due by directors or other officers of the company</b>			
There is no such trade debtors due by or to directors or other officers of the Company.			
<b>IV. Debt considered doubtful or bad</b>			
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			
<b>V. The maximum amount due by directors or other officers of the company</b>			
There are no such debt in this respect as at 30 June 2024.			
The aging of above trade receivables as on the date of financial position:			
Past due 0-30 days		36,276,615,761	32,618,816,867
Past due 31-90 days		21,272,244,307	15,066,366,451
Past due more than 90 days		98,580,918,563	60,933,653,499
		<b>156,129,778,632</b>	<b>108,618,836,817</b>

Detailed aging schedule is given in **Annexure-B**.



**11.3 Provision for bad and doubtful debt**

Opening balance  
Add: Addition during the year  
  
Less: Write off

30 June 2024 Taka	30 June 2023 Taka
9,035,434,259	8,278,436,985
243,258,048	756,997,274
9,278,692,307	9,035,434,259
4,865,589	-
<b>9,273,826,718</b>	<b>9,035,434,259</b>

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 year.

As per the approval of the 836th board meeting held on 09/07/2023, the decision was made to write off Tk 50,62,693/- in ongoing money/money decree cases between the company and 87 customers. Discrepancies were identified in the information for 4 customers inconsistencies in name, customer code, and zone. Consequently, the write-off has been executed for the remaining 83 customers, amounting to Tk. 48,65,588.86

**12. Advances, deposits and prepayments**

Advance (Note: 12.1)  
Deposit (Note: 12.2)  
Prepayments (Note: 12.3)

60,910,338,433	52,736,372,184
71,560,726	63,396,545
22,175,621	23,766,960
<b>61,004,074,780</b>	<b>52,823,535,688</b>

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)  
General Advance  
Uniform & Liveries  
Incentive Bonus Advance

60,629,813,557	52,440,300,009
17,689,627	28,785,748
126,998,033	123,565,513
135,837,216	143,720,914
<b>60,910,338,433</b>	<b>52,736,372,184</b>

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

Incentive bonus 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  
Add: Deducted at source during the period

52,440,300,009	46,810,766,156
8,189,513,548	5,629,533,852
<b>60,629,813,557</b>	<b>52,440,300,009</b>

**12.2 Deposits**

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

24,000	24,000
28,000	28,000
158,000	158,000
100,000	100,000
200,000	200,000
1,000,000	1,000,000
10,000	10,000
70,040,726	61,876,545
<b>71,560,726</b>	<b>63,396,545</b>

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

	30 June 2024 Taka	30 June 2023 Taka
	22,075,621	23,666,960
	100,000	100,000
	<b>22,175,621</b>	<b>23,766,960</b>

Prepayment 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

	895,679,970	754,093,563
	1,175,327,516	1,167,826,951
	2,086,100,161	1,377,598,713
	56,846,967,133	49,524,016,459
	<b>61,004,074,780</b>	<b>52,823,535,688</b>

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  
 Advance, Deposits and Prepayments due by Other Officers (against Salary)

	56,846,967,133	49,524,016,459
	4,157,107,647	3,299,519,227
	280,524,876	296,072,175
	60,723,549,904	52,527,463,511
	280,524,876	296,072,175

**13. Group current accounts**

 Bakhrabad Gas Distribution Co.Ltd. (For line rent)  
 Bakhrabad Gas Distribution Co. Ltd.  
 Pashchimanchol Gas Co. Ltd.  
 Jalalabad Gas T & D Systems Ltd. (For line rent)  
 Sundarban Gas Distribution Company Ltd. Current A/C  
 Karnafuli Gas Distribution Co. Ltd.  
 Barapukuria Coal Mines Current a/c  
 Maddhapara Granite Mining Co.Ltd.  
 Gas Transmission Co. Ltd.- current a/c

	533,801,696	249,797,516
	22,252,831	18,116,877
	10,907,869	10,681,208
	13,754,255	5,523,895
	690,515	-
	11,330,473	11,986,066
	185,056	185,056
	7,994	7,994
	28,309,550	28,551
	<b>621,240,238</b>	<b>296,327,163</b>

**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)  
 Store in transit  
 Interest receivable on FDR  
 Receivable from Encashment of FDR  
 Advances against Car Purchase Loan  
 Receivable against recharge of prepaid gas meter  
 Mobile Financial Service  
 General Provident Fund loan to employees

	127,673,929	89,724,402
	813,812	813,812
	94,706	134,483
	9,356,111	9,657,200
	1,295,961,874	223,002,221
	1,312,113,139	805,227,256
	586,137,948	586,137,948
	438,000,000	-
	5,381,907	23,754,506
	14,325,784	5,064,166
	60,318,092	53,311,823
	<b>3,850,177,301</b>	<b>1,796,827,816</b>

**15. Cash and cash equivalents**

 Cash in hand  
 Cash at bank

	699,038	97,769
	23,413,333,102	23,119,028,962
	<b>23,414,032,139</b>	<b>23,119,126,731</b>

**16. Share capital**
**Authorized capital**

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

30 June 2024	30 June 2023
Taka	Taka

30 June 2024	30 June 2023
Taka	Taka

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. 22.40 per share as on 30 June 2024 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 June 2024	30 June 2023	30 June 2024	30 June 2023
Petrobangla Investment Corporation of Bangladesh	75%	741,916,371	741,916,371	7,419,163,710	7,419,163,710
Investment Corporation of Bangladesh - Unit Fund	3%	32,620,602	32,620,602	326,206,020	326,196,020
Investment Corporation of Bangladesh - Unit Fund	2%	15,116,212	15,116,212	151,162,120	151,133,120
Institutions	10%	99,802,173	102,702,586	998,021,730	1,027,025,860
General shareholders	10%	99,766,473	96,866,060	997,664,730	968,660,600
<b>Total</b>	<b>100%</b>	<b>989,221,831</b>	<b>989,221,831</b>	<b>9,892,218,310</b>	<b>9,892,179,310</b>

**16.2 Classification of shares by holding at 30 June 2024**

Slabs by number of shares	No. of Shareholders		% of Holding	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Up to 500 Shares	6,129	6,434	35.78%	37.05%
501 to 5,000 Shares	8,322	8,321	48.59%	47.92%
5,001 to 10,000 Shares	1,223	1,168	7.14%	6.73%
10,001 to 20,000 Shares	685	659	4.00%	3.79%
20,001 to 30,000 Shares	218	231	1.27%	1.33%
30,001 to 40,000 Shares	115	107	0.67%	0.62%
40,001 to 50,000 Shares	95	97	0.55%	0.56%
50,001 to 100,000 Shares	141	147	0.82%	0.85%
100,001 to 1,000,000 Shares	166	166	0.97%	0.96%
Over 10,000,000 Shares	34	36	0.20%	0.21%
<b>Total</b>	<b>17,128</b>	<b>17,366</b>	<b>100%</b>	<b>100%</b>

**17. Share money deposit**

Opening balance

2,827,474,695

2,579,773,606

Add: Deposit received during the year

711,976,797

247,760,450

3,539,451,492

2,827,534,056

Less: Adjustment during the year

23,300,564

59,361

3,516,150,928
2,827,474,695

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. The conversion of the share money deposit to preference shares is under process.

**Project wise breakup of share money deposit:**

Installation of Prepaid Gas Meter Project(IPGM-P-78)

3,453,812,664

2,765,136,431

System Loss Reduction Project(2188-2189)

36,695,372

36,695,372

Supply Efficiency Improvement project(2623)

24,987,013

24,987,013

Dhaka Clean Fuel Project(1943)

655,879

655,879

3,516,150,928
2,827,474,695

**18. Reserve fund**

 Hydrocarbon Development Fund\*  
 General Reserve  
 Other Capital Reserve  
 Reserve for revaluation of share

30 June 2024 Taka	30 June 2023 Taka
745,909,726	745,909,726
62,648,827	62,648,827
4,757,990	4,757,990
(4,177,450)	(2,868,100)
<b>809,139,093</b>	<b>810,448,443</b>

\*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. Revaluation Surplus**

 Revaluation Surplus  
 Less: Deferred Tax

39,262,225,534	-
5,896,304,021	-
<b>33,365,921,513</b>	<b>-</b>

As per approval by the board, Titas Gas Transmission and Distribution PLC appointed ACNABIN Chartered Accountants and ZA Capital Advisory (in collaboration) as consultants to revalue its fixed assets. The consulting firm submitted their report on 27/03/2024, which was approved at the 855th meeting of the Board of Directors of Titas Gas Transmission and Distribution PLC.

According to revaluation as of 30/06/2023, the value of land increased by Tk 39,122,821,711.62, the value of buildings increased by Tk 139,174,805.96 and the value of water service increased by Tk 2,29,016.89, resulting in a total increase in fixed assets of Tk 39,262,225,534.47. As per IAS 12, deferred tax is applicable to the revalued increase in asset values. In accordance with the guidelines of IAS 16 (Property, Plant and Equipment), IAS 12 (Income Taxes), and the directives of the Bangladesh Securities and Exchange Commission (BSEC), the increased asset values were reflected in the company's financial report for the fiscal year 2023-2024.

**20. Revenue reserve**

 Opening Balance  
 Net Profit for the Year  
  
 Less: Cash dividend paid during the year

57,441,998,264	60,082,582,060
(7,440,769,319)	(1,651,361,965)
50,001,228,945	58,431,220,095
494,610,916	989,221,831
<b>49,506,618,028</b>	<b>57,441,998,264</b>

**21. Long term loans net of current maturity**

 ADP loan (Note: 21.1)  
 Foreign loan (Note: 21.3)

448,565,999	423,526,660
4,341,891,512	3,625,760,661
<b>4,790,457,511</b>	<b>4,049,287,321</b>

**Current portion of loans and other borrowings**

 ADP loan (Note: 21.2)  
 Foreign loan (Note: 21.4)

30,079,359	25,598,228
276,558,964	220,464,021
<b>306,638,323</b>	<b>246,062,248</b>

**21.1 ADP loan**

 Opening balance  
 Add: Addition during the year  
  
 Less: Refund during the year  
 Less: Transfer to current part

423,526,660	431,967,213
55,118,697	17,246,716
478,645,357	449,213,929
-	89,041
30,079,359	25,598,228
<b>448,565,999</b>	<b>423,526,660</b>



Sl. No.	Particulars	Rate of interest	30.06.2024	30.06.2023
1	Supply Efficiency Improvement Project	4.00%	26,108,739	30,460,196
2	Installation of Prepaid Gas Meter (IGPM)-P-78	1.00%	422,257,260	393,066,464
3	Loan Principal(GOB)- Smart Metering Energy Efficiency Improvement Project [Installation of Prepaid Gas Meter for TGTDPCLC.]	-	100,000	-
4	Loan Principal(GOB)-Gas Sector Efficiency Improvement & Carbon Abatement Project [Installation of Smart Prepaid Gas Meter for TGTDPCLC.]	-	100,000	-
			<b>448,565,999</b>	<b>423,526,660</b>

30 June 2024 Taka	30 June 2023 Taka
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**21.2 Current portion of loans and other borrowings**

ADP Loan

30,079,359      25,598,228

**21.3 Foreign loan**

Non-current portion

Particulars	Principle	Exchange rate fluctuation	30.06.2024 Taka	30.06.2023 Taka
Opening balance	3,570,523,902	55,236,759	3,625,760,661	3,468,750,984
Add: Additions during the year	978,097,453	14,592,364	992,689,817	383,697,336
	<b>4,548,621,355</b>	<b>69829122.71</b>	<b>4,618,450,478</b>	<b>3,852,448,320</b>
Less: ERF adjustment during	-	-	-	6,223,638
	<b>4,548,621,355</b>	<b>69829122.71</b>	<b>4,618,450,478</b>	<b>3,846,224,681</b>
Less: Current portion of loans	262,583,799	13,975,167	276,558,966	220,464,021
<b>Total</b>	<b>4,286,037,556</b>	<b>55,853,956</b>	<b>4,341,891,512</b>	<b>3,625,760,661</b>

**21.4 Current portion of loans and other borrowings**

Particulars	Principle	Exchange rate fluctuation	30.06.2024 Taka	30.06.2023 Taka
Opening balance	209,337,617	11,126,404	220,464,021	113,283,327
Addition during the year	262,583,798	13,975,167	276,558,966	220,464,021
	<b>471,921,415</b>	<b>25,101,571</b>	<b>497,022,986</b>	<b>333,747,348</b>
Less: Paid during the year	209,337,616	11,126,404	220,464,020	113,283,327
<b>Total</b>	<b>262,583,799</b>	<b>13,975,167</b>	<b>276,558,965</b>	<b>220,464,021</b>

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

Name of loan provider and contract no.	Particulars	Rate of interest	30.06.2024	30.06.2023
ADB loan no. 2188 & 2189 BAN (SLRP)	Sanction amount: 1,364 lakh Repayment Period: 10 Years End Year: 2027-28	5%	68,906,076	84,742,794
ADB loan no 2623 BAN(SEIP)	Sanction amount: 1,090 lakh Repayment Period: 12 Years End Year: 2030-31	5%	82,376,077	88,645,030
JICA BD-P78 (EPGMP) 54249	Sanction amount: 11,113 lakh Repayment Period: 20 Years End Year: 2042-43	1%	4,190,609,360	3,452,372,837
<b>Total</b>			<b>4,341,891,512</b>	<b>3,625,760,661</b>



**22. Deferred tax liability**

	30 June 2024 Taka	30 June 2023 Taka
Opening Balance	727,823,489	855,465,929
Addition during the year	(96,790,296)	(127,642,440)
Deferred Tax on Revaluation surplus	5,896,304,021	
<b>Deferred tax liabilities as at 30 June 2024</b>	<b>6,527,337,214</b>	<b>727,823,489</b>

**Freehold Assets**

Particulars	Accounting Base	Tax Base	Taxable/ (Deductible) Temporary Difference
Property, plant & equipment	7,570,195,516	4,415,029,554	3,155,165,962
	<b>7,570,195,516</b>	<b>4,415,029,554</b>	<b>3,155,165,962</b>

**Revalued Assets**

Particulars	Accounting Base	Tax Base	Taxable/ (Deductible) Temporary Difference
Land & Land Development	39,122,821,712	-	39,122,821,712
Building	139,174,806	-	139,174,806
Water Service	229,017	-	229,017
	<b>39,262,225,534</b>	<b>-</b>	<b>39,262,225,534</b>

Applicable tax rate on temporary difference of Freehold Assets (A)	20.0%
Applicable tax rate on Revalued Assets (B)	15.00%
<b>A. Deferred Tax Liabilities on freehold assets (Ax20.0%)</b>	<b>631,033,192</b>
<b>B. Deferred Tax Liabilities on revalued assets (Bx15%)</b>	<b>5,896,304,021</b>
<b>Total Deferred Tax Liabilities as at 30 June 2024 (A+B)</b>	<b>6,527,337,214</b>

**As at 30 June 2023**

**Freehold Assets**

Particulars	Carrying Amount	Tax Base	Taxable/ (Deductible) Temporary Difference
Property, plant & equipment	7,985,940,694	4,346,823,250	3,639,117,444
	<b>7,985,940,694</b>	<b>4,346,823,250</b>	<b>3,639,117,444</b>

Applicable tax rate on temporary difference of Freehold Assets (A)	20.00%
Applicable tax rate on Revalued Assets (B)	15.00%
<b>A. Deferred Tax Liabilities on freehold assets (Ax20.0%)</b>	<b>727,823,489</b>
<b>B. Deferred Tax Liabilities on revalued assets (Bx15%)</b>	<b>-</b>
<b>Total Deferred Tax Liabilities as at 30 June 2024 (A+B)</b>	<b>727,823,489</b>

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12.

**23. Depreciation Fund**

Opening Balance	-	-
Add: Interest Earned During the year	281,320,000	-
	<b>281,320,000</b>	<b>-</b>

The fund has been created as per Titas Gas Transmission and Distribution PLC Depreciation Fund Policy 2023. The company invest 475.00 crore against the accumulated depreciation fund as per the aforesaid policy. For the financial year 2023-24, net interest earned 28.13 crore, which is shown as depreciation fund income.



		30 June 2024 Taka	30 June 2023 Taka
<b>24. Retirement benefit obligations</b>			
Pension fund	(Note: 24.1)	3,165,630,411	2,529,235,617
Gratuity fund	(Note: 24.2)	5,695,478	7,227,577
General provident fund	(Note: 24.3)	1,103,592,091	1,080,948,438
		<b>4,274,917,980</b>	<b>3,617,411,632</b>
<b>24.1 Pension fund</b>			
Opening balance		2,529,235,617	1,884,459,661
Add: Company's contribution during the year		1,293,033,119	1,383,462,368
Add: Return on Investment		187,599,591	132,592,255
		4,009,868,327	3,400,514,284
Less: Payment made during the year		844,237,915	871,278,667
		<b>3,165,630,411</b>	<b>2,529,235,617</b>
The Sum of Tk.2,555,000,000 has been invested in FDR in different Schedule Bank and Tk 455,333,930 ICB unit certificate.			
<b>24.2 Gratuity fund</b>			
Opening balance		7,227,577	8,221,357
Add: Company's contribution during the year		435,560	596,000
		7,663,137	8,817,357
Less: Transfer to CPF fund/payment during the year		1,967,660	1,589,780
		<b>5,695,477</b>	<b>7,227,577</b>
<b>24.3 General providend fund</b>			
Opening balance		1,080,948,438	1,077,693,107
Add: Employee's contribution during the year		69,526,440	71,279,759
Add: Return on Investment		68,465,844	57,663,811
		<b>1,218,940,722</b>	<b>1,206,636,677</b>
Less: Payment made during the year		115,348,632	125,688,239
		<b>1,103,592,090</b>	<b>1,080,948,438</b>
(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.760,000,000.00 has been invested in FDR and Tk. 254,480,187 ICB unit certificate.			
<b>25. Leave pay</b>			
Opening balance		80,110,988	107,657,765
Add: Addition during the year		154,419	57,673,530
Add: Adjustment during the year		56,344,948	4,593
		136,610,355	165,335,888
Less: Payment made during the year	(Note: 25.1)	94,808,865	85,224,900
		<b>41,801,490</b>	<b>80,110,988</b>
<b>25.1 Leave pay (Payment made during the year)</b>		<b>94,808,865</b>	<b>85,224,900</b>
<b>26. Customers' security deposits</b>			
Domestic		3,939,539,879	3,858,749,602
Domestic (Metered)		128,753,362	114,308,526
Commercial		1,049,949,564	1,019,272,854
Industrial		12,917,336,963	10,756,881,723
Captive Power		12,478,975,667	10,900,150,404
Feed gas for CNG		432,380,156	386,210,993
Seasonal		132,235	132,235
Power (Private)		2,891,305,702	2,440,816,067
		<b>33,838,373,529</b>	<b>29,476,522,404</b>

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. 31,505,000,000 have been invested in FDR with banks.



**27. Trade payables**

		30 June 2024 Taka	30 June 2023 Taka
Liabilities for gas production charge	(Note: 27.1)	11,054,639,867	6,562,762,192
Liabilities for transmission charges	(Note: 27.2)	3,597,414,593	1,769,982,510
Liability for Price Deficit Fund (PDF)	(Note: 27.3)	314,331,076	314,331,076
Liability for BAPEX margin	(Note: 27.4)	12,175,242	12,175,242
Deficit Wellhead Margin Fund for BAPEX (DWMFB)	(Note: 27.5)	12,240,586	12,240,586
Gas Development Fund (GDF)	(Note: 27.6)	6,265,832,947	2,081,244,177
Support for Shortfall	(Note: 27.7)	111,829,261	111,829,261
Liabilities for net charges for LNG	(Note: 27.8)	100,214,963,521	62,023,082,690
Liabilities for VAT (GDF)	(Note: 27.9)	15,403	15,403
Liabilities for VAT	(Note: 27.10)	10,900,832,734	6,279,517,673
Provision for gas purchases liability	(Note: 27.11)	18,226,127,492	18,226,127,492
Energy Security Fund (ESF)	(Note: 27.12)	6,128,631,601	1,857,875,857
BERC Research Fund (BERCRF)	(Note: 27.13)	265,322,843	463,398,494
		<b>157,104,357,167</b>	<b>99,714,582,653</b>

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 2023-24, various charges were established by Ministry of Power, Energy & Mineral Resources were determined according to the gazette SRO No-14-Law/2023, dated 18 January 2023. gazette SRO No-40-Law/2024, dated 25 February 2024 and gazette SRO No-105-Law/2024, dated 29 April 2024.

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), LNG Charge, transmission charge, VAT charges, Charge for various funds (GDF, ESF & ERF); which are treated as trade payables. The company collects the total end-user price from its customers for the gas supplied and subsequently make payments against the amount for those above mentioned components of the gas price to the relevant parties, namely Petrobangla, BGFL, BAPEX, GTCL, and RPGCL. The company retains only the distribution margin, which constitutes its prime source of income.

**27.1 Liabilities for gas production charge**

Opening balance	6,562,762,192	6,422,205,804
Add: Addition during the year	29,781,239,025	30,671,231,489
	36,344,001,217	37,093,437,293
Less: Paid during the year	25,289,361,350	30,530,675,101
	<b>11,054,639,867</b>	<b>6,562,762,192</b>

It consists of the amount payable for the wellhead margin to national gas producing companies, namely BGFL and BAPEX, along with the LNG operational charge payable to RPGCL, Petrobangla margin charge, and net gas charges for International Oil Companies (IOC) payable to BOGMC. For the financial year 2023-24, these charges are determined in accordance with Gazette 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.	1,027,503,722	708,286,223
BOGMC (IOC Net Charge & Petrobangla Charge)	9,672,734,705	5,588,534,007
LNG Operational Charge (RPGCL)	121,057,339	35,165,603
Bangladesh Petroleum Exploration & Production Co. Ltd.	233,344,102	230,776,359
	<b>11,054,639,868</b>	<b>6,562,762,192</b>

**27.2 Liabilities for transmission charges (GTCL)**

Opening balance	1,769,982,510	1,121,762,252
Add: Addition during the year	13,780,312,858	6,193,761,369
	15,550,295,368	7,315,523,621
Less: Paid during the year	11,952,880,775	5,545,541,111
	<b>3,597,414,593</b>	<b>1,769,982,510</b>

It represents the amount payable to Gas Transmission Company Ltd. (GTCL) for gas transmitted to the Titas distribution system through their transmission line. For the financial year 2023-24, this charge is calculate in accordance with Gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.



	30 June 2024 Taka	30 June 2023 Taka
<b>27.3 Liability for Price Deficit Fund (PDF)</b>		
Opening balance	314,331,076	314,331,076
Add: Addition during the year	-	-
	<b>314,331,076</b>	<b>314,331,076</b>

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 BEREC's order # 2018/03.

<b>27.4 Liabilities for BAPEX Margin</b>		
Opening balance	12,175,242	12,175,242
Add: Addition during the year	-	-
	<b>12,175,242</b>	<b>12,175,242</b>

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

<b>27.5 Deficit Wellhead Margin Fund for BAPEX (DWMFB)</b>		
Opening balance	12,240,586	12,240,586
Add: Addition during the year	-	-
	<b>12,240,586</b>	<b>12,240,586</b>

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 BEREC order # 2018/03.

<b>27.6 Gas Development Fund (GDF)</b>		
Opening balance	2,081,244,177	2,510,186,802
Add: Addition during the year	7,239,728,544	7,128,526,878
	9,320,972,721	9,638,713,680
Less: Paid during the year	3,055,139,774	7,557,469,503
	<b>6,265,832,947</b>	<b>2,081,244,177</b>

The Gas Development Fund (GDF) was established by BEREC Order No. 2009/8, effective from August 2009. According to BEREC's order and the 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 2023-24, this charge is calculated in accordance with Gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

<b>27.7 Support for Shortfall</b>		
Opening balance	111,829,261	111,829,261
Add: Addition during the year	-	-
	<b>111,829,261</b>	<b>111,829,261</b>

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

<b>27.8 Liabilities for net charges for LNG</b>		
Opening balance	62,023,082,690	10,233,820,072
Add: Addition during the year	263,245,644,275	184,391,040,772
	325,268,726,965	194,624,860,844
Less: Paid during the year	225,053,763,444	132,601,778,154
	<b>100,214,963,521</b>	<b>62,023,082,690</b>

The LNG charge is one of the major components of gas purchase costs. This charge is payable to Petrobangla and is determined through various orders issued by the Bangladesh Energy Regulatory Commission (BEREC) and the Ministry of Power, Energy & Mineral Resources.



**For the financial year 2023-24, VAT was calculated as follows:**

From July 2023 to January 2024, in accordance with gazette SRO No-14-Law/2023, dated 18 January 2023 issued by the Ministry of Power, Energy & Mineral Resources.

From February 2024 to April 2024, in accordance with gazette SRO No-40-Law/2024, dated 25 February 2024 issued by the Ministry of Power, Energy & Mineral Resources., and

From May 2024 to June 2024, in accordance with gazette SRO No-105-Law/2024, dated 29 April 2024 issued by the Ministry of Power, Energy & Mineral Resources.

**27.9 Liabilities for VAT (GDF)**

Opening balance  
Less: Paid during the year

	30 June 2024 Taka	30 June 2023 Taka
Opening balance	15,403	121,006,182
Less: Paid during the year	-	120,990,779
	<b>15,403</b>	<b>15,403</b>

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.

**27.10 Liabilities for VAT**

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

Opening balance	6,279,517,673	4,090,778,591
Add: Addition during the year	31,747,574,459	24,534,462,930
	38,027,092,132	28,625,241,521
Less: Paid during the year	27,126,259,398	22,345,723,848
	<b>10,900,832,734</b>	<b>6,279,517,673</b>

The VAT charge is payable to Petrobangla and production companies. This charge is determined through various orders issued by the Bangladesh Energy Regulatory Commission (BERC) and the Ministry of Power, Energy & Mineral Resources.

**For the financial year 2023-24, VAT was calculated as follows:**

From July 2023 to January 2024, in accordance with gazette SRO No-14-Law/2023, dated 18 January 2023 issued by the Ministry of Power, Energy & Mineral Resources.

From February 2024 to April 2024, in accordance with gazette SRO No-40-Law/2024, dated 25 February 2024 issued by the Ministry of Power, Energy & Mineral Resources., and

From May 2024 to June 2024, in accordance with gazette SRO No-105-Law/2024, dated 29 April 2024 issued by the Ministry of Power, Energy & Mineral Resources.

**27.11 Provision for gas purchases liability**

Opening balance  
Add: Addition during the year

Opening balance	18,226,127,492	15,364,902,686
Add: Addition during the year	-	2,861,224,806
	<b>18,226,127,492</b>	<b>18,226,127,492</b>

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.

**27.12 Energy Security Fund (ESF)**

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

Opening balance	1,857,875,857	2,534,256,456
Add: Addition during the year	7,398,325,231	7,279,855,261
	9,256,201,087	9,814,111,717
Less: Paid during the year	3,127,569,486	7,956,235,860
	<b>6,128,631,601</b>	<b>1,857,875,857</b>

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 2023-24, this charge is calculated in accordance with Gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources.

Being the amount Tk.4753.72 received as Interest (Net) on deposit in Energy Security Fund for the FY 2019-2020.



**27.13 BERC Research Fund (BERCRF)**

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

30 June 2024 Taka	30 June 2023 Taka
463,398,494	40,477,355
461,538,446	448,800,108
924,936,940	489,277,463
659,614,097	25,878,969
<b>265,322,843</b>	<b>463,398,494</b>

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). For the financial year 2023-24, this charge is calculated in accordance with Gazette SRO No-14-Law/2023, dated 18 January 2023, issued by 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

25,834,182,260	30,469,576,183
62,150,225,773	48,129,969,357
69,119,949,134	21,115,037,113
<b>157,104,357,167</b>	<b>99,714,582,653</b>

**28. Group current accounts**

Bangladesh Petroleum Exploration & Production Co. Ltd.  
Sylhet Gas Fields Limited- Current A/C  
Gas Transmission Co. Ltd.  
Bangladesh Gas Fields Co. Ltd. -current a/c  
Jalalabad Gas Transmission & Distribution Systems Ltd.  
Rupantarita Prakritik Gas Co. Ltd.  
Bangladesh Oil, Gas & Mineral Corporation- (Petrobangla)  
Sundarban Gas Distribution Company Ltd

32,296,391	32,797,892
20,576	20,576
-	7,196,293
284,966	-
12,265,007	22,540,937
1,190,899	1,190,899
633,283,813	575,036,583
-	13,839,991
<b>679,341,651</b>	<b>652,623,172</b>

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

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

-	99,117,157
67,448,551	-
67,448,551	99,117,157
-	99,117,157
<b>67,448,551</b>	<b>-</b>

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).

**30. Provision for income tax**

Opening balance  
Add: Addition during the year  
Shortfull for the FY 2022-23

32,012,475,657	32,012,475,657
8,189,513,548	-
629,568,533	-
<b>40,831,557,738</b>	<b>32,012,475,657</b>

As per the Finance Act of 2024, the income tax rate is set at 20% on the profit before income tax, According to Tax Law 2023, Section 163(3)(Ka), the minimum tax was not applied to "any company related to gas transmission or distribution." As a transmission and distribution company, Titas Gas utilized this provision and claimed a refund for excess tax deducted at source over its actual tax liability. However, this year, the Finance Act 2024, Section 54 abolished by Section 163(3)(Ka). As a result, tax deducted at source will now be treated as the minimum tax if the actual tax liability is lower than the tax deducted at source. Consequently, the company has recognized the entire amount of tax deducted at source as a current tax expense.. Computation of total taxable income and tax liability during the year is given in **Annexure- C**.



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

Income Year	Assessment Year	Tax Provision (Taka)	Total Demand/Refundable (Taka)	Tax Paid	Current Status
2013-14	2014-15	352.95	0	307.75	Not received any assessment Order
2014-15	2015-16	321.51	321.51	282.46	High Court
2015-16	2016-17	240.63	322.58	323.91	Partially High Court & Set a side
2016-17	2017-18	174.49	184.63	327.17	Tribunal
2017-18	2018-19	115.91	1677.12	342.89	Tribunal
2018-19	2019-20	162.16	903.92	362.59	Appeal filed on 11 June 2024
2019-20	2020-21	144.8	504.62	395.81	Appeal filed on 11.06.2024 for Cost of Dispute & Depreciation & Patial disallowance In High Court for Prov. for Bad & Doubtful debt, GDF & ESF).
2020-21	2021-22	87.17	442.44	440.88	Tribunal
2021-22	2022-23	68.84	444.6	442.13	Tribunal
2022-23	2023-24	-	-	562.95	Return Submitted
<b>Total</b>		<b>1668.46</b>	<b>4801.42</b>	<b>3788.54</b>	

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

**31. Unclaimed Dividend**

Opening balance  
Add: Addition during the year  
  
Less: Paid during the year  
  
Less: Transferred to CMSF

	30 June 2024 Taka	30 June 2023 Taka
Opening balance	16,536,696	12,841,395
Add: Addition during the year	2,081,210	4,225,245
	18,617,906	17,066,640
Less: Paid during the year	74,552	529,945
	18,543,353	16,536,696
Less: Transferred to CMSF	12,311,450	-
	<b>6,231,903</b>	<b>16,536,696</b>

As of 30 June 2024, the unclaimed dividend bank balance was Taka 4,321,082.71. On 16 October 2024, a remaining balance of Taka 2,080,763.80 was transferred to the same bank account.

Dividend Year	Unpaid Dividend as at 30.06.2024
2020-2021	4,151,139
2021-2022	2,080,764
<b>Total</b>	<b>6,231,903</b>

**32. 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

Accruals & provisions	667,732,679	612,243,490
Liabilities to govt., customers, contractors & employees	174,827,628	141,182,689
Other creditors	317,157,155	380,389,904
Liabilities against jobs for third parties for pipeline construction	872,910,686	820,263,425
Dividend Liabilities	2,912,334	2,680,326
Interest on foreign loan Liabilities	4,980,836	410,335
Liabilities against payroll accounts	1,184,551	2,770,674
Liabilities to other companies against salary accounts	261,159	261,159
Liabilities against jobs, for third parties for replacement pipeline & others	2,811,268,039	2,398,653,981
	<b>4,853,235,066</b>	<b>4,358,855,982</b>





		2023-2024 Taka	2022-2023 Taka
<b>33. Sales Revenue</b>			
Gas Sales Revenue	(Note-33.1)	342,649,308,107	254,879,814,607
Operational Income	(Note-33.2)	14,279,888,103	10,208,581,638
		<b>356,929,196,210</b>	<b>265,088,396,246</b>
<b>33.1 Gas Sales Revenue</b>			
Power (PDB)		27,050,555,944	32,117,328,652
Fertilizer		8,114,915,680	3,450,340,704
Industrial		107,926,758,121	73,874,232,983
Captive Power		139,155,611,961	87,521,196,054
Feed Gas for CNG		25,380,211,060	23,019,233,425
Domestic Metered		2,946,241,764	2,820,149,675
Domestic Non-Metered		29,858,716,763	29,949,284,652
Commercial		2,216,296,814	2,128,048,462
		<b>342,649,308,107</b>	<b>254,879,814,607</b>

The gas prices for end-users in different categories are determined and fixed by the Bangladesh Energy Regulatory Commission (BERC) and the Ministry of Power, Energy & Mineral Resources. For the financial year 2023-24, the end-user gas prices established by the Ministry of Power, Energy & Mineral Resources were determined according to gazette SRO No. 14-Law/2023, dated 18 January 2023; gazette SRO No. 40-Law/2024, dated 25 February 2024; and gazette SRO No. 105-Law/2024, dated 29 April 2024. Gas sales revenue increased due to the rise in end-user prices. Since July 2022, TGTDPLC has been preparing gas consumption certification known as breakdown certificate in accordance with the guidelines of Petrobangla and BERC orders. During this period, the private power category has been reclassified as the captive power rate.

Quantity wise schedule of sales relating to the financial statement for the year ended 30 June 2024 as required under Schedule XI, Part -II of the Companies Act 1994 is given:

Particulars	01 July 2023 to 30 June 2024		01 July 2022 to 30 June 2023	
	MMCM	Amount (TK)	MMCM	Amount (TK)
Power (PDB)	3,459	27,050,555,944	3,285	32,117,328,652
Fertilizer	507	8,114,915,680	216	3,450,340,704
Industrial	3,842	107,926,758,121	4,075	73,874,232,983
Captive Power	4,076	139,155,611,961	4,330	87,521,196,054
Feed Gas for CNG	724	25,380,211,060	663	23,019,233,425
Domestic Metered	164	2,946,241,764	154	2,820,149,675
Domestic Non-Metered	1,658	29,858,716,763	1,663	29,949,284,652
Commercial	65	2,216,296,814	72	2,128,048,462
<b>Total</b>	<b>14,495</b>	<b>342,649,308,107</b>	<b>14,459</b>	<b>254,879,814,607</b>

**33.2 Operational Income**

Meter rent	966,579,419	701,811,273
Higher Heating Value	6,291,137,473	3,646,712,704
Connection & reconnection charges	22,186,450	18,879,749
Late payment penalties	1,938,147,330	1,984,936,353
Gas Sales (Domestic) for illegal use	128,218,104	123,611,283
Gas connection commission fees	520,953	385,394
Penalties and fines against metered customers	1,487,865,567	684,307,138
Penalties for illegal use by domestic customers	29,664,002	26,685,708
Profit from sale of stores	119,765,899	164,949,771
Gas transmission income*	420,372,836	198,348,067
Demand Charge**	2,875,430,070	2,657,954,199
	<b>14,279,888,103</b>	<b>10,208,581,638</b>

\*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.



**34. Cost of Sales**

		2023-2024 Taka	2022-2023 Taka
Gas production cost	(Note-34.1)	29,781,239,025	30,911,330,707
Gas Transmission Charge	(Note-34.2)	13,780,312,858	6,261,753,611
Gas Development Charge		7,239,728,544	7,206,780,543
Energy security fund (ESF) charge		7,398,510,794	7,359,770,139
BERC Research Fund Charges (BERCRF)		461,538,446	453,726,827
LNG Operational Charge-RPGCL		-	92,990,816
LNG Charge-BOGMC(PB)		263,245,644,275	186,414,694,775
VAT for Gas Purchase		31,747,574,459	24,803,790,895
		<b>353,654,548,401</b>	<b>263,504,838,312</b>

Particulars	01 July 2023 to 30 June 2024		01 July 2022 to 30 June 2023	
	MMCM	Amount(TK)	MMCM	Amount(TK)
Power (PDB)	3,624	50,079,017,830	3,422	31,163,120,347
Fertilizer	531	8,149,559,906	229	3,582,071,517
Industrial	4,025	109,652,857,176	4,239	75,336,354,169
Captive Power	4,269	116,036,462,954	4,504	90,381,036,431
Feed Gas for CNG	758	25,750,801,288	691	23,816,332,209
Domestic Metered	218	3,778,800,361	178	2,785,447,205
Domestic Non-Domestic	2,206	38,191,251,596	1,927	34,354,641,778
Commercial	68	2,015,797,289	75	2,085,834,657
<b>Total</b>	<b>15699</b>	<b>353,654,548,401</b>	<b>15,265</b>	<b>263,504,838,312</b>

The cost of sales is the main operational expense for the company. It is calculated as per order by the Bangladesh Energy Regulatory Commission (BERC) and in accordance with gazettes issued by the Ministry of Power, Energy & Mineral Resources. These components include the cost of gas production (Wellhead Margin), LNG Charge, Gas Development Fund Charge, Energy Security Fund Charge, BERC Research Fund Charge, Transmission Charge, and VAT, all of which are treated as part of the cost of sales. The company collects the total end-user price from its customers for the gas supplied and subsequently make payments against the amount for those above mentioned 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 prime source of income.

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, captive power and industrial rate. As a result, there has been a rearrangement that involves the removal of the Private power category, which is now categorized under power, captive power and industry.

**34.1 Gas Production Cost**

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	4,118,849,348	3,031,557,148
Wellhead margin for BAPEX	1,137,666,932	1,164,258,466
Petrobangla Charge for BOGMC	1,050,769,192	905,292,533
LNG Operational Charge-RPGLC	329,018,430	92,711,910
Net charges for IOC gas	23,144,935,123	25,717,510,650
	<b>29,781,239,025</b>	<b>30,911,330,707</b>

The production charge is determined in accordance with Gazette SRO No-14-Law/2023, dated 18 January 2023, issued by the Ministry of Power, Energy & Mineral Resources. These charges include the Wellhead Margin for BAPEX, the Wellhead Margin for BGFCL, the LNG operational charge for RPGCL, the Petrobangla charge, and the net charge for IOC gas.

**34.2 Gas Transmission Charge**

**13,780,312,858**      **6,261,753,611**

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



**35. Administrative expenses**

- Salary and allowance
- MD's Remuneration
- Professional services
- Audit fees
- Promotional costs
- Power costs
- Communication costs
- Transport costs
- Occupancy costs
- Administrative costs
- Impairment loss
- Miscellaneous costs
- Financial charges
- Bad & doubtful debts provision
- Depreciation charges
- Petrobangla Service Charge
- Unrealised foreign exchange loss

2023-2024 Taka	2022-2023 Taka
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3,865,620,945	3,838,327,531
2,239,196	2,239,196
44,876,017	32,179,924
833,750	833,750
9,568,510	9,446,892
36,383,558	34,942,767
8,160,352	7,205,806
167,097,124	163,726,709
154,301,060	177,927,843
179,340,019	150,376,184
219,745,395	-
225,639,921	506,658,904
19,848,941	19,999,615
243,258,048	756,997,274
862,148,621	1,090,576,623
14,592,364	23,079,740
<b>6,053,653,821</b>	<b>6,814,518,757</b>

(Note: 35.1)

<b>14,592,364</b>	<b>23,079,740</b>
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**35.1 Unrealized foreign exchange loss**

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

<b>230,579,024</b>	<b>152,131,579</b>
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**36. Transmission & Distribution expenses**

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.

**37. Other operating Income**

- Other penalties & fines received
- Sale of bill books & application forms
- House rent income & recoveries
- Income from Consultancy Service
- Testing charges from suppliers
- Transport income
- Profit on disposal of fixed assets
- Sale of scrap
- Sale of tender documents
- Enlistment & renewal fees
- Other Liquidated Damage
- Other rental income
- Load Increase and Decrease fee
- Killing and Caping fee
- Name/Owner Change fee
- Miscellaneous income
- Office rent income & recoveries
- Sale of gas condensate

1,581,289	1,255,553
276,480	142,570
351,501	112,590
67,132,425	91,041,754
105,000	375,055
574,286	913,245
9,286	65,373
27,771,725	-
1,621,400	2,724,607
2,977,900	73,900
498,010	-
2,526,460	2,100,066
495,200	454,600
1,377,134	647,433
572,000	427,500
200,296,242	362,387,898
7,183,966	7,020,400
1,258,712	14,640,836
<b>316,609,015</b>	<b>484,383,379</b>

**38. Finance costs**

- Interest on ADP (LOCAL) loans
- Interest on foreign (ADB ,OECF& JICA) loans

5,368,678	3,538,246
41,143,875	24,599,802
<b>46,512,553</b>	<b>28,138,047</b>

**39. Investment Income**

- Interest income on bank deposits (FDR)

<b>2,534,336,778</b>	<b>2,025,599,820</b>
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	2023-2024 Taka	2022-2023 Taka
<b>40. Finance income</b>		
Interest income on bank deposits (STD)	1,282,865,298	816,245,157
Interest on land purchase & house building loans	103,139,878	87,793,907
Interest on motor cycle loan	2,921,566	3,400,110
Interest on Computer loan	203,993	207,997
Interest on loan to Gas Transmission Co. Ltd.	164,992,079	214,595,676
	<b>1,554,122,813</b>	<b>1,122,242,846</b>
<b>41. Current Tax</b>		
Provision for income tax during the year	8,189,513,548	-
Shortfull for the FY 2022-23 (assessment year 2023-24)	629,568,533	-
	<b>8,819,082,081</b>	<b>-</b>

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

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

Particulars	2023-2024		2022-2023	
	%	Taka	%	Taka
Profit before tax	-	1,281,522,466	-	(1,779,004,405)
Effective current tax	688.17%	8,819,082,081	-	-
Effective deferred tax	-7.55%	(96,790,296)	7.17%	(127,642,440)
Income Tax expenses	680.62%	8,722,291,785	7.17%	(127,642,440)

**42. Other comprehensive income**

Revaluation Surplus	39,262,225,534	-
Deferred Tax expenses on revaluation surplus	5,896,304,021	-
Revaluation Surplus after deferred tax	<b>33,365,921,513</b>	-
Fair value adjustment of marketable securities	(1,309,350)	311,750
Total other comprehensive income	<b>33,364,612,163</b>	<b>311,750</b>

**43. Earning per share**

**Basic EPS**

Net Profit attributable to the ordinary shareholders	(7,440,769,319)	(1,651,361,965)
Number of ordinary shares outstanding	989,221,831	989,221,831
	<b>(7.52)</b>	<b>(1.67)</b>

During the 2023-24 financial year, the company reported a system loss of 7.67%, 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. On the other hand, According to Tax Law 2023, Section 163(3)(Ka), the minimum tax was not applied to "any company related to gas transmission or distribution." As a transmission and distribution company, Titas Gas utilized this provision and claimed a refund for excess tax deducted at source over its actual tax liability. However, this year, the Finance Act 2024, Section 54 abolished Section 163(3)(Ka). As a result, tax deducted at source will now be treated as the minimum tax if the actual tax liability is lower than the tax deducted at source. Consequently, the company has recognized the entire amount of tax deducted at source as a current tax expense, resulting in a net loss of Tk. 744.08 crore. Considering these leading to a significant decrease in the company's earnings per share (EPS).

**44. Net operating cash flow per share (NOCFPS)**

Net operating cash flows	5,564,863,381	12,170,857,522
Number of ordinary shares outstanding	989,221,831	989,221,831
	<b>5.63</b>	<b>12.30</b>

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.

**45. Net Asset Value (NAV) Per Share**

Net Assets (Total Assets- Liabilities)	97,090,047,872	70,972,139,712
Number of ordinary shares outstanding	989,221,831	989,221,831
	<b>98.15</b>	<b>71.75</b>

Due to the fixed assets revaluation, revaluation surplus was reflected in the Company's financial statements for the year ended 30 June 2024, indicating a significant change in the Net Asset Value (NAV) per Share though Net operating cash flow per share and earnings per share decreased during the year then ended.



46. **Profit/(loss) before income 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

**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

	2023-2024 Taka	2022-2023 Taka
	<u>1,281,522,466</u>	<u>(1,779,004,405)</u>
	(67,448,551)	-
	862,148,621	1,090,576,623
	243,258,048	756,997,274
	14,592,364	23,079,740
	4,570,500	110,615,981
	(9,286)	(65,373)
	(8,189,513,548)	(5,629,455,020)
	544,835,409	228,809,919
	(978,842,556)	(903,571,174)
	(43,681,529,267)	(38,763,911,901)
	8,974,456	(52,382,940)
	(298,194,595)	(228,184,726)
	(2,053,349,485)	(228,403,782)
	57,389,774,513	56,824,610,289
	484,074,292	721,147,018
	<u>5,564,863,381</u>	<u>12,170,857,522</u>



**47. 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.

**47.1 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.

2023-2024 Taka	2022-2023 Taka
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**Exposure to credit risk**

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

Investments	40,281,871,667	36,093,181,017
Intercompany	9,884,456,475	9,102,077,125
Loan to employees	3,402,958,827	3,360,770,438
Inventories	3,970,167,423	2,991,324,866
Trade & other receivables	146,855,951,914	99,583,402,558
Advance, deposit & prepayments	61,004,074,780	52,823,535,688
Group current accounts	621,240,238	296,327,163
Other current assets	3,850,177,301	1,796,827,816
Cash and bank balances	23,414,032,139	23,119,126,731
	<b>293,284,930,764</b>	<b>229,166,573,403</b>

**Credit exposure by credit rating**

Investments	40,281,871,667	13.73
Intercompany loan	9,884,456,475	3.37
Loan to employees	3,402,958,827	1.16
Inventories	3,970,167,423	1.35
Trade & other receivables	146,855,951,914	50.07
Advance, deposit & prepayments	61,004,074,780	20.80
Group current accounts	621,240,238	0.21
Other current assets	3,850,177,301	1.31
Cash and bank balance		
Cash in hand	699,038	0.00
Cash at bank	23,413,333,102	7.98

**47.2 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 2024

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	4,790,457,511	Latest June 2043	1-5	-	-	4,790,457,511
Deferred tax liability	6,527,337,214	-	-	-	-	6,527,337,214
Retirement benefit obligations	4,274,917,980	-	-	479,793,274	479,793,274	3,315,331,432.52
Leave pay	41,801,490	-	-	12540446.99	10,450,372	18,810,670
Customers' security	33,838,373,529	-	-	-	-	33,838,373,529
Current portion of loans and other borrowings	306,638,324	June 2024	1-5	153,319,162	153,319,162	-
Trade payable	157,104,357,167	-	-	138,427,653,510	-	18,676,703,657
Group current accounts	679,341,651	-	-	-	679,341,651	-
Workers' profit participation fund (WPPF) and WF payable	67,448,551	-	-	67,448,551	-	-
Provision for income tax	40,831,557,739	-	-	-	-	40,831,557,739
Liabilities for expenses	4,853,235,067	-	-	3,397,264,547	1,213,308,767	242,661,753
	<b>253,315,466,224</b>			<b>142,538,019,490</b>	<b>2,536,213,227</b>	<b>108,241,233,507</b>

#### 47.3 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.

#### 47.4 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 2024.

#### 47.5 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.

#### 48. Commitment to sanction loan

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

	2023-2024 Taka	2022-2023 Taka
	1,641,100,000	1,641,100,000
	2,106,700,000	2,106,700,000
	<b>3,747,800,000</b>	<b>3,747,800,000</b>

#### 49. 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 30.06.2024 Receivable/ (Payable)	Outstanding as on 30.06.2023 Receivable/ (Payable)
Petrobangla	Controlling Authority	Gas Purchase	(50,731)	(122,596)	(71,865)
BAPEX	Inter-company	Gas Purchase	(3)	(233)	(231)
BGFCL	Inter-company	Gas Purchase	(319)	(1,028)	(708)
RPGCL	Inter-company	Gas Purchase	(86)	(121)	(35)
GTCL	Inter-company	Gas Transmission	(1,827)	(3,597)	(1,770)
BAPEX	Inter-company	Inter-company loan	(130)	585	715
GTCL	Inter-company	Inter-company loan	(858)	7,145	8,002
	<b>Total</b>		<b>(53,954)</b>	<b>(119,846)</b>	<b>(65,892)</b>



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

Name of Directors	BOD of TGTDCI.	Entities where they have Interests
M. Saifullah Panna	Chairman	Secretary, Chief Advisor's Office & Chairman.
Md. Zanendra Nath Sarker	Director	Chairman, Petrobangla
Mr. Md. Saidur Rahman	Director	Chairman, BCIC, BCIC Bhaban
Engr. Md. Rezaul Karim	Director	Chairman, BPDB
S. M. Moin Uddin Ahmed	Independent Director	Additional Secretary, Energy & Joint Secretary, Finance Division
Dr. Md. Mohiuddin	Director	Additional Secretary, Department of Finance & Director, Titas Board
Dr. Mohammad Musa	Director	Professor & Dean, School of Business and Economics United International University
Mr. Shahnewaz Parvez	Director	Managing Director, Titas Gas T & D PLC

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

The company had 1,921 permanent employees as at 30 June 2023 and 1,942 permanent employees as at 30 June 2024.

	30 June 2024 No. of Staff	30 June 2023 No. of Staff
Head Office Staff	705	620
Other than Head Office	1,237	1,301
	<b>1,942</b>	<b>1,921</b>

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

Managing Director remuneration and benefit	<b>2,309,347</b>	<b>2,239,196</b>
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52. 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 2024 in their board meeting held on 24 October 2024 subject to approval of the shareholders in the Annual General Meeting. The financial statements for the year ended 30 June 2024 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.





Annexure-A

Titas Gas Transmission and Distribution PLC.  
Schedule of Property, Plant and Equipment  
As at 30 June 2024

(Amount in Taka)

Particulars	Cost/Revaluation			Depreciation Rate (%)	Accumulated Depreciation and Amortization			Written Down Value as at 30.06.2024	Written Down Value as at 30.06.2023		
	Balance as at 01.07.2023	Addition During the Year	Impairment/Disposal/Adjustment		Balance as at 01.07.2023	Charged During the Year	Disposal/Adjustment			Balance as at 30.06.2024	
1	2	3	4	5 = (2+3-4)	6	7	8 = (2x6)+(3x6)/2	9	10 = (7+8-9)	11 = (5-10)	12
<b>a. Freehold Assets</b>											
Land	1,597,633,494	-	-	1,597,633,494	-	702,267,129	-	-	734,005,957	1,597,633,494	1,597,633,494
Buildings	1,438,067,364	42,370,643	(50,742,161)	1,429,695,846	2.5-10	99,100,655	31,738,828	-	113,879,891	695,689,889	735,800,235
Furniture & fixtures	127,327,682	5,344,480	(2,298,183)	130,373,979	10-15	605,515,154	14,779,236	-	625,219,104	16,494,088	28,237,026
Office equipments	669,633,863	45,270,136	(1,314,886)	713,589,112	15	115,665,135	19,703,950	-	145,253,013	88,370,008	64,118,708
Other equipments	144,696,314	13,971,472	(495,966)	158,171,820	15-30	18,235,964,593	29,587,879	-	18,944,720,957	12,918,807	29,031,179
Transmission & distribution lines	25,330,220,233	419,439,051	(164,516,341)	25,585,142,943	3.33-10	36,507,558	708,756,364	-	40,226,383	6,640,421,986	7,094,255,640
Water services	40,556,106	256,336	(368,623)	40,443,819	10-20	722,482,648	3,718,825	-	2,875,890	217,436	4,048,548
Vehicles	752,896,791	-	(7,222)	752,889,569	20	57,682,408	6,081,353	-	57,682,408	1	30,414,144
Intangible asset	57,682,409	-	(2,014)	57,682,409	20	2,832,706	43,184	-	2,875,890	15	45,213
Other assets	2,877,919	-	(219,745,395)	30,468,498,897	10-25	20,578,017,985	814,409,619	-	21,392,427,604	9,076,071,293	9,583,574,188
Sub-total	30,161,592,174	526,652,119	(219,745,395)	30,468,498,897		20,578,017,985	814,409,619	-	21,392,427,604	9,076,071,293	9,583,574,188
<b>b. Revalued Assets</b>											
Land	-	39,122,821,712	-	39,122,821,712	-	-	-	-	47,417,090	39,122,821,712	-
Buildings	-	139,174,806	-	139,174,806	-	-	47,417,090	-	229,017	91,757,716	-
Water services	-	229,017	-	229,017	-	-	229,017	-	47,646,106	39,214,579,428	-
Sub-total	-	39,262,225,534	-	39,262,225,534	-	-	47,646,106	-	47,646,106	39,214,579,428	-
Balance as at 30 June 2024	30,161,592,174	39,788,877,653	(219,745,395)	69,730,724,432		20,578,017,985	862,055,725	-	21,440,073,710	48,290,650,722	9,583,574,188
Balance as at 30 June 2023	29,263,286,600	921,511,418	(23,205,845)	30,161,592,174		19,488,111,227	1,090,576,623	(669,865)	20,578,017,985	9,583,574,188	

**Annexure-B**

**Titans Gas Transmission and Distribution PLC.**  
**Aging of Trade Debtors**  
**As at 30 June 2024**

(Amount in Taka)

Category of Receivables	Dues Over 90 days	Dues up to 31-90 Days	Dues up to 30 Days	2023-24	2022-23
Power (PDB)	26,716,662,683	5,753,126,000	2,507,439,000	34,977,227,683	15,632,025,268
Power (Private)	33,333,091,431	8,020,955,000	3,953,390,000	45,307,436,431	25,159,171,680
Fertilizer	4,518,371,341	822,056,000	852,408,000	6,192,835,341	3,037,739,155
Industrial	8,932,474,837	2,467,775,010	12,208,581,167	23,608,831,014	22,394,658,533
Captive Power	4,939,079,838	1,941,118,684	11,079,823,280	17,960,021,802	16,529,439,909
Feed Gas for CNG	2,618,103,968	84,010,987	2,884,180,555	5,586,295,510	5,602,358,938
Domestic (Metered)	800,936,672	75,809,501	139,125,289	1,015,871,461	957,406,136
Domestic (Un-Metered)	16,034,169,677	1,930,838,648	2,402,323,102	20,367,331,428	18,324,629,741
Commercial	642,761,654	176,554,478	249,345,369	1,068,661,501	936,140,995
Seasonal	45,266,461	-	-	45,266,461	45,266,461
<b>Total Trade Receivables</b>	<b>98,580,918,563</b>	<b>21,272,244,307</b>	<b>36,276,615,761</b>	<b>156,129,778,632</b>	<b>108,618,836,817</b>
Less: Provision for bad & doubtful debts				9,273,826,717	9,035,434,258
<b>Net Trade Receivables</b>				<b>146,855,951,914</b>	<b>99,583,402,558</b>

**Titas Gas Transmission and Distribution PLC.**  
**Computation of Total Taxable Income & Tax Liability**  
**Income Year: 2023-2024**  
**Assessment Year: 2024-2025**

Particulars	Amount in Taka
Net profit before Tax (as per accounts)	1,281,522,466
Add: Depreciation as per Accounts	862,148,621
	2,143,671,087
Less: Depreciation as per Third Schedule of ITA 2023	458,445,814
Add: Provision for bad & doubtful debts	243,258,048
<b>Total Taxable Income</b>	<b>1,928,483,321</b>
Tax Payable @20%	385,696,664
Tax Decuction at source      Tk.      8,189,513,548	8,189,513,548
Less: Rebate	-
<b>Net Payable (Current Tax) for the FY 2023-24</b>	<b>8,189,513,548</b>
Shortfull for the FY 2022-23 (assessment year 2023-24)	629,568,533
<b>Total Current Tax</b>	<b>8,819,082,081</b>

According to Tax Law 2023, Section 163(3)(Ka), the minimum tax was not applied to "any company related to gas transmission or distribution." As a transmission and distribution company, Titas Gas utilized this provision and claimed a refund for excess tax deducted at source over its actual tax liability. However, this year, the Finance Act 2024, Section 54 abolished Section 163(3)(Ka). As a result, tax deducted at source will now be treated as the minimum tax if the actual tax liability is lower than the tax deducted at source. Consequently, the company has recognized the entire amount of tax deducted at source as a current tax expense.