

**Jalalabad Gas Transmission & Distribution System Limited  
(A Company of Petrobangla)**

Gas Bhaban, Mendhibagh  
Sylhet-3100

**Jalalabad Gas Transmission & Distribution System Limited  
AUDITOR'S REPORT AND FINANCIAL STATEMENTS**

For the year ended 30 June 2018

| <b>Contents</b>  | <b>Page No.</b> |
|--|-----------------|
| * Auditors' Report   | 1               |
| * Statement of Financial Position                            | 2               |
| * Statement of Profit or Loss and other Comprehensive Income | 3               |
| * Statement of Changes in Equity                             | 4               |
| * Statement of Cash Flows                                    | 5               |
| * Notes and Annexures to the Financial Statements            | 6-26            |

**K. M. HASAN & CO.**

Chartered Accountants

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**K. M. HASAN & CO.**  
Chartered Accountants

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Professionalism at the forefront

**AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
JALALABAD GAS TRANSMISSION & DISTRIBUTION SYSTEM LIMITED**

We have audited the accompanying financial statements of Jalalabad Gas Transmission and Distribution System Limited (the company), which comprise statement of financial position (balance sheet) as at 30 June 2018, statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatements, whether due to fraud or error.

**Auditors' responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements of the company, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2018 and of the results of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the requirements of Companies Act 1994 and other applicable laws and regulations.

We also report that:

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

Place: Dhaka, Bangladesh  
Dated: 17 October 2018

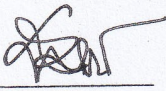


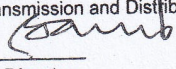
*Kmhasan*  
**K. M. HASAN & CO.**  
Chartered Accountants

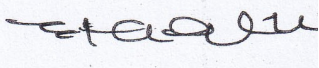
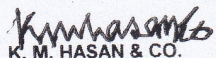
**Jalalabad Gas Transmission and Distribution System Limited**  
**Statement of Financial Position (Balance Sheet)**  
**As at 30 June 2018**

|  | Notes | 2018<br>BDT           | 2017<br>BDT            |
|--|-------|-----------------------|------------------------|
| <b>1. Capital and reserves</b>                           |       |                       |                        |
| Share capital  | 3     | 704,816,200           | 704,816,200            |
| Share money deposit (equity)                             | 4     | 622,655,690           | 622,655,690            |
| Revenue reserve  | 5     | 7,304,982,269         | 6,653,376,853          |
|  |       | <b>8,632,454,159</b>  | <b>7,980,848,743</b>   |
| <b>2. Non-current liabilities</b>                        |       |                       |                        |
| <b>3. Long term borrowings - unsecured</b>               |       |                       |                        |
| Local  | 6     | 421,314,282           | 470,362,282            |
| Foreign  | 7     | 197,798,568           | 192,602,665            |
|  |       | <b>619,112,850</b>    | <b>662,964,947</b>     |
| <b>4. Long term liabilities - others</b>                 |       |                       |                        |
| Security deposits-customers (cash and non-cash)          | 8     | 3,348,215,184         | 2,904,237,827          |
| Retirement benefit obligations (gratuity)                | 9     | 337,671               | 249,451                |
| Provision for leave pay                                  | 10    | 289,160               | 280,920                |
| Depreciation fund  | 11    | 2,711,935,082         | -                      |
|  |       | <b>6,060,777,097</b>  | <b>2,904,768,198</b>   |
| <b>5. Total non-current liabilities (3+4)</b>            |       | <b>6,679,889,947</b>  | <b>3,567,733,145</b>   |
| <b>6. Total capital employed (1+5)</b>                   |       | <b>15,312,344,106</b> | <b>11,548,581,888</b>  |
| <b>7. Non-current assets</b>                             |       |                       |                        |
| Property, plant and equipment                            | 12    | 5,052,145,376         | 2,490,823,130          |
| Capital works-in-progress                                | 13    | 198,530,741           | 18,276,448             |
|  |       | <b>5,250,676,117</b>  | <b>2,509,099,578</b>   |
| <b>8. Investments and other assets</b>                   |       |                       |                        |
| Fixed deposit receipt (FDR)                              | 14    | 7,248,633,991         | 6,154,576,088          |
| Deposit against energy security fund                     | 15    | -                     | 2,865,188,000          |
| Fixed deposit against depreciation fund                  | 16    | 400,000,000           | -                      |
| Loan to employees  | 17    | 637,942,333           | 585,667,528            |
| Inter-company loan                                       | 18    | 215,653,779           | 180,504,200            |
| Investment in shares                                     | 19    | 17,687,000            | 17,687,000             |
| Security deposit of customers and contractors (non-cash) | 20    | 2,268,570,857         | 2,023,770,138          |
|  |       | <b>10,788,487,960</b> | <b>11,827,392,954</b>  |
| <b>9. Total non-current assets (7+8)</b>                 |       | <b>16,039,164,077</b> | <b>14,336,492,532</b>  |
| <b>10. Current assets</b>                                |       |                       |                        |
| Inventories  | 21    | 298,710,717           | 306,241,441            |
| Advances, deposits and prepayments                       | 22    | 4,613,746,375         | 4,015,104,873          |
| Trade receivable   | 23    | 4,735,678,299         | 3,410,378,247          |
| Other current assets (Accrued interest on FDR)           | 24    | 183,975,980           | -                      |
| Cash and cash equivalents                                | 25    | 247,640,213           | 396,570,227            |
|  |       | <b>10,079,751,584</b> | <b>8,128,294,788</b>   |
| <b>11. Total current assets</b>                          |       |                       |                        |
| <b>12. Current liabilities</b>                           |       |                       |                        |
| Gas purchase & PB Margin                                 | 26    | 3,707,270,713         | 2,817,576,001          |
| Gas transmission charges                                 | 27    | 38,799,083            | 39,832,342             |
| BAPEX margin   | 28    | 35,455,664            | 12,164,972             |
| Deficit wellhead margin for BAPEX                        | 29    | 35,735,907            | 17,832,707             |
| Gas development fund                                     | 30    | 68,046,837            | 95,479,444             |
| Price deficit fund                                       | 31    | 156,492,081           | 261,880,858            |
| Energy security fund                                     | 32    | 1,022,038,374         | 3,070,514,566          |
| Support for short fall                                   | 33    | 302,367,845           | 222,003,890            |
| Group current accounts                                   | 34    | 85,821,978            | 57,852,791             |
| Creditors and accruals                                   | 35    | 670,563,916           | 308,777,416            |
| Long term loan-current portion                           | 36    | 49,081,000            | 47,591,000             |
| Workers' profit participation fund                       | 37    | 56,322,396            | 35,146,973             |
| Provision for doubtful debts                             | 38    | 17,883,246            | 15,878,253             |
| Provision for income tax                                 | 39    | 4,560,692,516         | 3,913,674,215          |
|  |       | <b>10,806,571,555</b> | <b>10,916,205,432</b>  |
| <b>13. Total current liabilities</b>                     |       | <b>(726,819,971)</b>  | <b>(2,787,910,644)</b> |
| <b>14. Net current assets (11-13)</b>                    |       | <b>15,312,344,106</b> | <b>11,548,581,888</b>  |
| <b>15. Net assets (9+14)</b>                             |       |                       |                        |

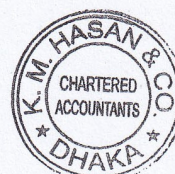
These financial statements should be read in conjunction with annexed notes.

  
 Company Secretary

for and on behalf of Board of Directors of  
 Jalalabad Gas Transmission and Distribution System Limited  
  
 Director

  
 Managing Director  
  
 K. M. HASAN & CO.  
 Chartered Accountants

Place: Dhaka, Bangladesh  
 Dated: 17 October 2018




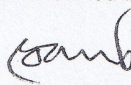
**Jalalabad Gas Transmission and Distribution System Limited**  
**Statement of Profit or Loss and other Comprehensive Income**  
For the year ended 30 June 2018


|  | <u>Notes</u> | <b>2018</b><br>BDT          | <b>2017</b><br>BDT          |
|--|--------------|-----------------------------|-----------------------------|
| <b>1. Revenue</b>  |              |                             |                             |
| Gas sales  | 40           | 19,045,642,108              | 15,186,923,431              |
| Other operational income   | 41           | 1,276,733,407               | 711,795,515                 |
|  |              | <u>20,322,375,515</u>       | <u>15,898,718,946</u>       |
| <b>2. Cost of sales</b>  |              |                             |                             |
| Gas purchases  | 42           | 13,264,166,977              | 10,402,188,439              |
| BAPEX margin   | 43           | 65,455,663                  | 63,679,727                  |
| Gas development fund   | 44           | 378,046,838                 | 415,479,443                 |
| Deficit wellhead margin for BAPEX  | 45           | 65,735,908                  | 66,317,954                  |
| Gas transmission charges   | 46           | 229,692,613                 | 175,943,058                 |
| Price deficit fund charges   | 47           | 881,100,630                 | 952,386,371                 |
| Energy security fund contribution  | 48           | 1,736,305,925               | 1,681,267,815               |
| Support for short fall   | 49           | 1,177,109,567               | 287,086,905                 |
| Operating expenses   | 50           | 985,771,211                 | 750,841,003                 |
| Petrobangla actual cost recovery   | 51           | 49,748,000                  | 53,086,000                  |
| Bad debt expenses  |              | 2,004,993                   | 5,388,585                   |
| Depreciation   |              | 188,365,207                 | 176,492,750                 |
|  |              | <u>19,023,503,532</u>       | <u>15,030,158,050</u>       |
| <b>3. Operating profit (1-2)</b>   |              | <b>1,298,871,983</b>        | <b>868,560,896</b>          |
| 4. Non-operational income  | 52           | 35,657,635                  | 52,987,663                  |
| <b>5. Profit before interest and tax (3+4)</b>   |              | <b>1,334,529,618</b>        | <b>921,548,559</b>          |
| <b>6. Financial income</b>   |              |                             |                             |
| Finance income   | 53           | 629,817,084                 | 436,486,689                 |
| Finance expense  | 54           | (18,427,000)                | (20,024,000)                |
|  |              | <u>611,390,084</u>          | <u>416,462,689</u>          |
| <b>7. Profit before contribution to workers' profit participation fund and tax (5+6)</b> |              | <b>1,945,919,702</b>        | <b>1,338,011,248</b>        |
| 8. Provision for contribution to workers' profit participation fund                      | 55           | (97,295,985)                | (66,900,562)                |
| <b>9. Profit before tax (7-8)</b>  |              | <b>1,848,623,717</b>        | <b>1,271,110,686</b>        |
| 10. Income tax expense   | 56           | (647,018,301)               | (444,888,742)               |
| <b>11. Profit after tax (9-10)</b>   |              | <b>1,201,605,416</b>        | <b>826,221,944</b>          |
| 12. Accumulated profit, brought forward  |              | 6,563,519,321               | 6,137,297,377               |
| <b>13. Profit available for distribution (11+12)</b>                                     |              | <b>7,765,124,737</b>        | <b>6,963,519,321</b>        |
| <b>Appropriation :</b>   |              |                             |                             |
| Contribution to national exchequer   |              | (550,000,000)               | (400,000,000)               |
| <b>Accumulated profit, carried forward</b>   |              | <u><b>7,215,124,737</b></u> | <u><b>6,563,519,321</b></u> |

These financial statements should be read in conjunction with annexed notes.

for and on behalf of Board of Directors of  
Jalalabad Gas Transmission and Distribution System Limited

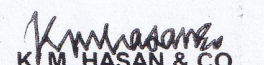
  
**Company Secretary**

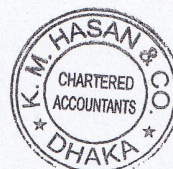
  
**Director**

  
**Managing Director**

Place: Dhaka, Bangladesh

Dated: 17 October 2018


  
**K.M. HASAN & CO.**  
Chartered Accountants



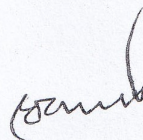
**Jalalabad Gas Transmission and Distribution System Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2018**

| Particulars                              | Share capital<br>BDT | Share money deposit<br>BDT | Revenue reserve<br>BDT | Total<br>BDT         |
|--|----------------------|----------------------------|------------------------|----------------------|
| <b>Balance at 01 July 2016</b>           | 704,816,200          | 282,862,486                | 6,227,154,909          | 7,214,833,595        |
| Addition against Sylhet Gas Transmission |                      |                            |                        |                      |
| Net work Upgradation Project             | -                    | 339,793,204                | -                      | 339,793,204          |
| Net profit for the year                  | -                    | -                          | 826,221,944            | 826,221,944          |
| Contribution to national exchequer       | -                    | -                          | (400,000,000)          | (400,000,000)        |
| <b>Balance at 30 June 2017</b>           | <b>704,816,200</b>   | <b>622,655,690</b>         | <b>6,653,376,853</b>   | <b>7,980,848,743</b> |
| <b>Balance at 01 July 2017</b>           | 704,816,200          | 622,655,690                | 6,653,376,853          | 7,980,848,743        |
| Addition against Sylhet Gas              |                      |                            |                        |                      |
| Transmission Network Upgradation         | -                    | -                          | -                      | -                    |
| Net profit for the year                  | -                    | -                          | 1,201,605,416          | 1,201,605,416        |
| Contribution to national exchequer       | -                    | -                          | (550,000,000)          | (550,000,000)        |
| <b>Balance at 30 June 2018</b>           | <b>704,816,200</b>   | <b>622,655,690</b>         | <b>7,304,982,269</b>   | <b>8,632,454,159</b> |

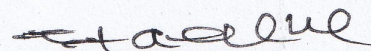
for and on behalf of Board of Directors of  
Jalalabad Gas Transmission and Distribution System Limited



Company Secretary



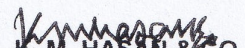
Director



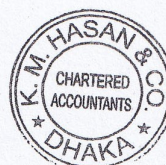
Managing Director

Place: Dhaka, Bangladesh

Dated: 17 October 2018

  
K. M. HASAN & CO.


Chartered Accountants



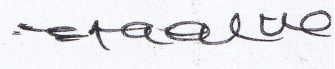
**Jalalabad Gas Transmission and Distribution System Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2018**

|   | 2018<br>BDT            | 2017<br>BDT            |
|---|------------------------|------------------------|
| <b>A. Cash flows from operating activities</b>          |                        |                        |
| Net profit before tax                                   | 1,848,623,717          | 1,271,110,686          |
| Adjustment for non-cash items:                          |                        |                        |
| Depreciation  | 188,365,207            | 176,492,750            |
| Provision for doubtful debts                            | 2,004,993              | 5,388,585              |
| Operating profit before changes in working capital      | <u>2,038,993,917</u>   | <u>1,452,992,021</u>   |
| <b>Changes in working capital components:</b>           |                        |                        |
| Inventories   | 7,530,724              | (22,816,153)           |
| Advances, deposits and prepayments                      | (30,764,158)           | (32,143,047)           |
| Corporation income tax                                  | (567,877,349)          | (518,589,310)          |
| Trade receivable  | (1,325,300,052)        | (601,513,722)          |
| Creditors for gas purchase                              | 889,694,712            | 441,056,997            |
| Creditors for gas transmission charges                  | (1,033,259)            | 9,253,520              |
| BAPEX margin  | 23,290,692             | (7,378,038)            |
| Deficit wellhead margin for BAPEX                       | 17,903,200             | (8,136,570)            |
| Gas development fund                                    | (27,432,607)           | 15,512,703             |
| Price deficit fund                                      | (105,388,777)          | 72,226,479             |
| Energy security fund                                    | (2,048,476,192)        | 1,757,198,986          |
| Support for short fall                                  | 80,363,955             | 222,003,890            |
| Depreciation fund                                       | 2,711,935,082          | -                      |
| Adjustment accumulated depreciation fund                | (2,705,234,808)        | -                      |
| Group current accounts                                  | 27,969,187             | (12,385,227)           |
| Creditors and accruals                                  | 361,786,500            | 57,727,598             |
| Contribution to workers' profit participation fund      | 21,175,423             | (943,274)              |
| Leave pay   | 8,240                  | 280,920                |
| Payable for retirement benefit obligations (gratuity)   | 88,220                 | 42,000                 |
| Contribution to national exchequer                      | (550,000,000)          | (400,000,000)          |
| <b>Net cash from / (used in) operating activities</b>   | <u>(1,180,767,350)</u> | <u>971,397,755</u>     |
| <b>B. Cash flows from investing activities</b>          |                        |                        |
| Fixed deposits receipts (FDR)                           | (1,094,057,903)        | (889,639,257)          |
| Fixed deposits against depreciation fund                | (400,000,000)          | -                      |
| Acquisition of property, plant and equipment            | (44,452,645)           | (1,046,289,224)        |
| Other current assets                                    | (183,975,980)          | -                      |
| Payments for capital works-in-progress                  | (180,254,293)          | 189,626,765            |
| <b>Net cash used in investing activities</b>            | <u>(1,902,740,821)</u> | <u>(1,746,301,716)</u> |
| <b>C. Cash flows from financing activities</b>          |                        |                        |
| Inter-company loan                                      | (35,149,579)           | -                      |
| Payment for energy security fund                        | 2,865,188,000          | (1,675,188,000)        |
| Increase in employee loans                              | (52,274,805)           | (134,957,183)          |
| Repayment of long term loans                            | (43,852,097)           | 432,975,201            |
| Customers and contractors security deposit              | 443,977,357            | 52,946,663             |
| Customers and contractors security deposit - non-cash   | (244,800,719)          | (30,728,756)           |
| Long term loan current portion                          | 1,490,000              | 12,725,000             |
| Share money deposit                                     | -                      | 339,793,204            |
| <b>Net cash used in financing activities</b>            | <u>2,934,578,157</u>   | <u>(1,002,433,871)</u> |
| <b>(A+B+C+D)</b>  | <u>(148,930,014)</u>   | <u>(324,345,811)</u>   |
| Cash and cash equivalents at the beginning of the year  | 396,570,227            | 720,916,038            |
| <b>Cash and cash equivalents at the end of the year</b> | <u>247,640,213</u>     | <u>396,570,227</u>     |

for and on behalf of Board of Directors of  
Jalalabad Gas Transmission and Distribution System Limited

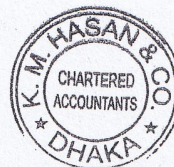
  
**Company Secretary**

  
**Director**

  
**Managing Director**

Place: Dhaka, Bangladesh

Dated: 17 October 2018



## **Jalalabad Gas Transmission and Distribution System Limited**

### **Notes to the Financial Statements**

**For the year ended 30 June 2018**

#### **1 Background and nature of business of the company**

Jalalabad Gas Transmission and Distribution System Limited (JGTDSL/the company), a public limited company, owned by Petrobangla was registered as a company with the Registrar of Joint Stock Companies and Firms on 01 December 1986 under the Companies Act 1913 (now the Companies Act 1994). As per decision of Government of Bangladesh, JGTDSL was formed with the principal objective of establishing a balanced and reliable natural gas transmission network and ensuring effective operational control of the same for transportation of available gas in order to meet the increasing gas demand in the country. JGTDSL commenced its formal operation through holding the first meeting of the Board of Directors on 25 February 1987 and subsequently embarked on commercial business upon receipt of certificate of commencement of business from the Registrar of Joint Stock Companies and Firms on 24 April 1988.

The other objectives for which the Company was established are to construct, operate and maintain high pressure gas/condensate pipelines to transmit natural gas/condensate from different gas fields and delivering the gas/condensate to the marketing companies operating in Bangladesh.

#### **2 Significant accounting policies**

##### **2.1 Basis of preparation of the financial statements**

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention.

##### **2.2 Statement of compliance**

These financial statements have been prepared in compliance with the applicable requirements of International Financial Reporting Standard (IFRS) which also cover International Accounting Standards (IAS) and the format of Management System Improvement Programmed MSIP). The related provision of Companies Act 1994 have also been duly complied with. Wherever appropriate, such principles are explained in succeeding notes.

##### **2.3 Foreign currencies**

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

##### **2.4 Use of estimates and judgments**

The preparation of financial statements require management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of its assets, liabilities, income and expenses and disclosure of the contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### **2.5 Events after the reporting period**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- i. Adjusting events: those that provide evidence of conditions that existed at the end of the reporting period.
- ii. Non-adjusting events: those that are indicative of conditions that arose after the reporting period.

##### **2.6 Revenue recognition**

Revenue is recognised when sales of gas are billed. Sales price for gas is set as per government order. Interest income is considered on accrual basis. Other income is accounted for when they are received in cash.



**2.7 Property, plant and equipment**

**Recognition**

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- a) it is probable that future economic benefits will flow to the entity; and
- b) the cost of the item can be measured reliably.

**Measurement at recognition**

An item of property, plant and equipment qualifying for recognition is initially measured at its cost. Cost comprises expenditure that is directly attributable to the acquisition of the assets. The cost of self-constructed asset includes the following: the cost of materials and direct labour; any other costs directly attributable to bringing the assets to a working condition for their intended use; and when the company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

**Subsequent costs**

- a) Repairs and maintenance expenditure is recognised as expenditure as incurred.
- b) Replacement parts are capitalised, provided the original cost of the items they replace is derecognised.

**Disposal**

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceed from disposal and the carrying amount of the item) is recognised in statement of profit or loss and other comprehensive income.

**Depreciation**

Depreciation on all items of property, plant and equipment (fixed assets) has been charged using straight-line method at rates varying from 2.5% to 25% depending on the estimated useful life of assets. Depreciation on addition to fixed assets has been charged from the subsequent quarter of their acquisition as per Petrobangla's guidelines provided in Management System Improvement Programme (MSIP) and Corporate Accounting Manual (CAM) except capitalisation of gain/loss on exchange rate fluctuation for which depreciation is charged on opening balance.

**2.8 Impairment of assets**

The carrying value of the company's assets other than inventories, are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of comprehensive income.

**2.9 Inventories**

Inventories represent stores and spares held for sale in the ordinary course of business within the company's normal operating cycle which is more than a calendar year along with goods in transit, both foreign and local.

Inventories of store and other materials have been valued as follows:

- i. Stores and spares are valued at average cost
- ii. Stocks in transit are valued at cost
- iii. Materials previously issued for project work when return to store are recorded at zero value.

**2.10 Treatment of grants and contribution from customer**

**2.10.1 Grants**

Grants received from Government and Donor agencies for development and extension of Gas supply infrastructure are credited to capital reserve.

**2.10.2 Contribution from consumers**

Contribution received from customer towards the cost of connection are deducted from the relevant connection cost surplus or deficit is taken into income statement.



**2.11 Contribution to workers' profit participation fund**

This is made in terms of section 234(1)(b) of Bangladesh Labour Act 2006 (as amended in 2013), 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of 5% of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third (2/3) has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third (1/3) has to be invested in accordance with the manner as stated in section 242 of that Act.

**2.12 Employee benefits**

The company maintains a defined contribution plan (provident fund) and a retirement benefit obligations (gratuity fund) for its eligible permanent employees.

**Defined contribution plan (provident fund)**

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised employees' provident fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR).

**Defined retirement benefit plan (gratuity)**

A defined benefit plan is a post-employment benefit plan (gratuity fund) other than a defined contribution plan. The company operates a funded gratuity scheme which is recognised by the National Board of Revenue (NBR). Provision in respect of which is made annually covering all its permanent eligible employees.

The company also maintain a pension fund which has been approved by the Ministry of finance and Ministry of power energy and mineral resources of Bangladesh. Expense related to the said fund is being charged on a monthly basis.

**Leave pay**

This relates to leave encashment and is measured on an undiscounted basis and expensed as the related services is provided. Provision is made for the amount of leave encashment based on the latest basic salary. This benefit is applicable for employees as per service rules.

**2.13 Treatment of expense**

Expenses are recognised in the period they are incurred. Interest on loan is charged directly to the specific capital projects funded by the loan. The charging ceases when the project is completed and thereafter the interest cost is charged to the profit and loss statement on cash basis.

All expenses in relation to transmission and distribution of gas are treated as transmission and distribution cost and separately shown in the financial statements.

**2.14 Development and line construction cost**

Development and line construction costs are shown under capital works-in- progress till the project and line construction work are completed. On successful completion, the costs are capitalised as proved assets. If the development project is unsuccessful, the costs are shown as intangible assets and written off as impairment cost over a period time.

**2.15 Long term loan**

Local and foreign loans payable within next one year are shown as current portion under current liabilities. The amount payable after one year is shown as long term liability.

**2.16 Trade receivables**

Trade receivables are shown at realisable value, being the face value of the debts less provision for bad and doubtful debts (if any). Provision for bad and doubtful debts is made @ 3% on non-bulk customer as per board decision.



## Jalalabad Gas Transmission and Distribution System Limited

### Notes to the Financial Statements

For the year ended 30 June 2018

#### 2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and other short term highly liquid investments with original maturities of three months or less and bank overdrafts which were held and available for use by the company without any restriction, and there was insignificant risk of changes in value of these current assets.

#### 2.18 Short term loan to employee

Short term loan to employee is stated at face value plus accrued interest thereon. Where such loans are not expected to be realised within one year, then these are not shown as current asset.

#### 2.19 Price deficit fund

Under an order of the Government, a price deficit fund has been created out of specified deductions from sales to end users and it was shown as charge to the income statement. This fund will be utilised by Petrobangla to meet the price deficit on gas under production sharing agreement.

#### 2.20 BAPEX margin

As per Government regulation, BDT 0.048 per CM is deducted from sales revenue to end users as a contribution to the exploration cost of BAPEX. This is referred to as BAPEX margin and it was shown as a charge to income statement.

#### 2.21 Energy security fund

This fund was created as per Bangladesh Energy Regulatory Commission (BERC) order 2015/11 para 9(2), dated 27 August 2015, with effect from 01 September 2015.

#### 2.22 Support for Short fall

As per the Government Bangladesh Energy Regulatory Commission (BERC) order 2017/1-7, dated 22 February 2017, with effect from 01 March 2017, a support for short fall fund has been created out of specified deductions from sales to end users and it was shown as charge to the income statement. This fund will be utilised by Petrobangla to support any short fall incurred from the production sharing agreement.

#### 2.23 Revenue reserve

Revenue reserve includes only amounts, which are potentially distributable to the shareholders.

#### 2.24 Customer security deposits

Security deposits received from customers against gas supply are treated as long term liabilities since these are not repayable while gas supply to consumers continues.

#### 2.25 Provision for income tax

Provision for tax is made at currently applicable rate on accounting profit before paying dividend. This is treated as income tax liability which will be subsequently adjusted after completion of income tax assessment.

Advance income tax paid against future anticipated tax burden is recognised as current asset. No deferred tax (asset or liability) is created to compensate for the timing difference and computation difference between accounting income and taxable income.

#### 2.26 Depreciation Fund Management

Depreciation Fund Management Implement the company Vide Petrobangla letter no. 28.02.000.026.42. 001.17/95, Date: 23-10-2017 & company board order no. 418, Date 12-08-2018.

#### 2.27 General

- i. Previous year's figures have been rearranged where necessary to conform to current year's presentation.
- ii. Figures have been rounded to the nearest BDT



# Jalalabad Gas Transmission and Distribution System Limited

## Notes to the Financial Statements For the year ended 30 June 2018

|   | 2018<br>BDT          | 2017<br>BDT          |
|---|----------------------|----------------------|
| <b>3 Share capital</b>  |                      |                      |
| <b>Authorised</b>   |                      |                      |
| 15,000,000 ordinary shares of BDT 100 each  | <u>1,500,000,000</u> | <u>1,500,000,000</u> |
| <b>Issued, subscribed and paid-up:</b>  |                      |                      |
| 7,048,162 ordinary shares of BDT 100 each   | <u>704,816,200</u>   | <u>704,816,200</u>   |
| Equity portion of Additional Development Fund released for the project is converted into paid up capital in the year 2010 - 2011. Grant and Hydro Carbon Development Fund of a total amount of BDT 255,622,100 was converted into paid up capital. Project wise details are as follows: |                      |                      |
| <b>Projects:</b>  |                      |                      |
| Initial paid up capital   | 500,700              | 500,700              |
| Hobiganj Tea Valley Project   | 15,850,000           | 15,850,000           |
| Sylhet Town Gas Supply Project  | 16,000,000           | 16,000,000           |
| Sunamganj Town Gas Supply   | 23,000,000           | 23,000,000           |
| Sylhet Tea Estate Gas Supply Project (phase -1)   | 43,408,000           | 43,408,000           |
| Sylhet Tea Estate Gas Supply Project (phase -2)   | 98,581,000           | 98,581,000           |
| Gas distribution to Jalalabad Franchise Area  | 24,146,100           | 24,146,100           |
| Third Natural Gas Development Project   | 77,345,000           | 77,345,000           |
| Grameen Gas Distribution Project  | 71,438,534           | 71,438,534           |
| Gas supply to Sylhet Combined Cycle Power Plant and Shahjalal Fertilizer Factory  | 78,924,744           | 78,924,744           |
| The Netherland grants   | 19,393,586           | 19,393,586           |
| Belgium grant   | 55,112,880           | 55,112,880           |
| United Kingdom grants   | 58,248,066           | 58,248,066           |
| Hydro Carbon Development Fund   | 122,867,568          | 122,867,568          |
| Adjustment  | 22                   | 22                   |
|   | <u>704,816,200</u>   | <u>704,816,200</u>   |

## 4 Share money deposit (equity)

This amount represents equity released of Nobiganj Gas Supply and Distribution and Sylhet Gas Transmission Network Upgradation Project. Project wise break up given below:

### Projects :

|  |                    |                    |
|--|--------------------|--------------------|
| Nobiganj Gas Supply and Distribution Project (Merged on 30th June 2012)        | 282,862,486        | 282,862,486        |
| Sylhet Gas Transmission Network Upgradation Project (Merged on 30th June 2017) | 339,793,204        | 339,793,204        |
|  | <u>622,655,690</u> | <u>622,655,690</u> |



**Jalalabad Gas Transmission and Distribution System Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

2018

BDT

2017

BDT

5 Revenue reserve

This represents the accumulated profit arising out of business operation of JGTDSL .

| Description                           | General reserve | Appropriation account | Total         | Total         |
|---------------------------------------|-----------------|-----------------------|---------------|---------------|
| Opening balance                       | 89,857,532      | 6,563,519,321         | 6,653,376,853 | 6,227,154,909 |
| Add: Net profit for the year          | -               | 1,201,605,416         | 1,201,605,416 | 826,221,944   |
|                                       | 89,857,532      | 7,765,124,737         | 7,854,982,269 | 7,053,376,853 |
| Less: Contribution to national excheq | -               | (550,000,000)         | (550,000,000) | (400,000,000) |
| Closing balance                       | 89,857,532      | 7,215,124,737         | 7,304,982,269 | 6,653,376,853 |

6 Long term borrowings - local

|   |             |             |
|---|-------------|-------------|
| Opening balance   | 470,362,282 | 43,763,476  |
| Add: Addition against Sylhet Gas transmission Network Upgradation Project | -           | 509,689,806 |
|   | 470,362,282 | 553,453,282 |
| Less: Transferred to current portion                                      | 49,048,000  | 47,591,000  |
| Payment for the year  | -           | 35,500,000  |
| Closing balance   | 421,314,282 | 470,362,282 |

Project:

|  |             |             |
|--|-------------|-------------|
| Gas Supply to Sylhet Combined Cycle Power Station and Sahajalal Fertilizer Factory | 24,031,476  | 33,897,476  |
| Sylhet Gas transmission Network Upgradation Project                                | 397,282,806 | 436,464,806 |
|  | 421,314,282 | 470,362,282 |

7 Long term borrowings - foreign

|                             |             |             |
|-----------------------------|-------------|-------------|
| Opening balance             | 192,602,665 | 186,226,270 |
| Add: Foreign exchange loss  | 5,195,903   | 6,376,395   |
|                             | 197,798,568 | 192,602,665 |
| Less: Foreign exchange gain | -           | -           |
| Closing balance             | 197,798,568 | 192,602,665 |

Project:

|                                       |             |             |
|---------------------------------------|-------------|-------------|
| Third Natural Gas Development Project | 197,798,568 | 192,602,665 |
|                                       | 197,798,568 | 192,602,665 |



**Jalalabad Gas Transmission and Distribution System Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

|   | 2018<br>BDT                 | 2017<br>BDT                 |
|---|-----------------------------|-----------------------------|
| <b>8 Security deposits - customers</b>  |                             |                             |
| a) Cash security deposited by customers   |                             |                             |
| Domestic  | 347,933,702                 | 317,930,157                 |
| Industrial  | 295,505,044                 | 239,977,442                 |
| Captive power   | 247,171,301                 | 150,837,359                 |
| Commercial  | 145,496,780                 | 127,867,736                 |
| Tea-estates   | 37,880,609                  | 32,719,787                  |
| CNG   | 5,656,891                   | 11,135,208                  |
|   | <u>1,079,644,327</u>        | <u>880,467,689</u>          |
| b) Non-cash securities deposited by customers/contractors :   |                             |                             |
| Pratiraksha Sanchya Patra from contractors  | 986,700                     | 986,700                     |
| Bank guarantee (from industrial customers/<br>Tea estate/CNG /others)   | 2,267,584,157               | 2,022,783,438               |
|   | <u>2,268,570,857</u>        | <u>2,023,770,138</u>        |
|   | <u><b>3,348,215,184</b></u> | <u><b>2,904,237,827</b></u> |
| <b>9 Retirement benefit obligations (gratuity)</b>  |                             |                             |
| Opening balance   | 249,451                     | 207,451                     |
| Add: Provision during the year  | 88,220                      | 42,000                      |
|   | <u>337,671</u>              | <u>249,451</u>              |
| Less: Payment/ adjustment made with leave pay during the year   | -                           | -                           |
| Closing balance   | <u><b>337,671</b></u>       | <u><b>249,451</b></u>       |
| Provision for gratuity has been made on the basis of last two months basic pay multiplied by total length of service of individual officers and staff of the company. |                             |                             |
| <b>10 Provision for leave pay</b>   |                             |                             |
| Opening balance   | 280,920                     | -                           |
| Add: Provision during the year  | 8,240                       | 321,760                     |
|   | <u>289,160</u>              | <u>321,760</u>              |
| Less: Payment during the year   | -                           | 40,840                      |
| Closing balance   | <u><b>289,160</b></u>       | <u><b>280,920</b></u>       |
| Provision for leave pay has been made at one month of basic pay of each year of service, subject to maximum of twelve months basic pay.                               |                             |                             |
| <b>11 Depreciation Fund</b>   |                             |                             |
| Accumulated Depreciation upto 30th June 2017 (asper audited account)  | 2,516,869,601               | -                           |
| Add: Addition during the year   | 188,365,207                 | -                           |
| Add: Interest during the year (Note : 11.1)   | 6,700,274                   | -                           |
| Balance as on 30th June 2018  | <u><b>2,711,935,082</b></u> | <u>-</u>                    |
| Depreciation Fund Management created during the year as per company Board decision.   |                             |                             |
| <b>11.1 Interest on Depreciation Fund FDR</b>   |                             |                             |
| Opening balance   | -                           | -                           |
| Add: Addition during the year   | 6,700,274                   | -                           |
| Closing balance   | <u><b>6,700,274</b></u>     | <u>-</u>                    |
| <b>12 Property, plant and equipment</b>   |                             |                             |
| <b>Cost:</b>  |                             |                             |
| Opening balance   | 5,007,692,731               | 3,961,403,507               |
| Add: Addition during the year   | 44,452,645                  | 1,046,289,224               |
| Closing balance (A)   | <u>5,052,145,376</u>        | <u>5,007,692,731</u>        |
| <b>Depreciation:</b>  |                             |                             |
| Opening Balance   | 2,516,869,601               | 2,340,376,851               |
| Add: charged during the year  | 188,365,207                 | 176,492,750                 |
|   | <u>2,705,234,808</u>        | <u>2,516,869,601</u>        |
| less: Transfer to Depreciation fund during the year   | 2,705,234,808               | -                           |
| Closing balance (B)   | <u>-</u>                    | <u>2,516,869,601</u>        |
| Written down value (A-B)  | <u><b>5,052,145,376</b></u> | <u><b>2,490,823,130</b></u> |



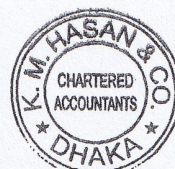
**Jalalabad Gas Transmission and Distribution System Limited**

**Notes to the Financial Statements**

**For the year ended 30 June 2018**

|   | <b>2018</b>          | <b>2017</b>          |
|---|----------------------|----------------------|
|   | <b>BDT</b>           | <b>BDT</b>           |
| <b>13 Capital works-in-progress</b>   |                      |                      |
| Pipeline and Civil construction   | 29,149,943           | 16,296,672           |
| Sylhet Gas Transmission Net Work Project  | -                    | -                    |
| Gas supply to Srihotto Economic Zone  | 169,380,798          | 1,979,776            |
|   | <b>198,530,741</b>   | <b>18,276,448</b>    |
| <b>14 Fixed deposit receipt (FDR)</b>   |                      |                      |
| State-owned banks   | 4,471,621,706        | 4,639,782,459        |
| Private commercial banks  | 2,777,012,285        | 1,514,793,629        |
|   | <b>7,248,633,991</b> | <b>6,154,576,088</b> |
| <b>15 Deposit against energy security fund</b>  |                      |                      |
| State-owned banks   | -                    | 2,230,021,000        |
| Private commercial banks  | -                    | 635,167,000          |
|   | -                    | <b>2,865,188,000</b> |
| <b>16 Fixed deposit against depreciation fund</b>   |                      |                      |
| Deposit during the year   | 400,000,000          | -                    |
| Add Interest against fund   | -                    | -                    |
|   | <b>400,000,000</b>   | -                    |
| <b>17 Loan to employees</b>   |                      |                      |
| Land purchase and house building loan   | 631,088,047          | 576,994,132          |
| Motor cycle loan  | 6,512,286            | 8,177,396            |
| Computer loan   | 342,000              | 496,000              |
|   | <b>637,942,333</b>   | <b>585,667,528</b>   |
| <b>Details of employees loan:</b>   |                      |                      |
| Opening balance   | 585,667,528          | 450,710,345          |
| Add: Addition during the year   | 120,399,040          | 179,320,000          |
| Non-cash adjustment   | -                    | 519,929              |
|   | 706,066,568          | 630,550,274          |
| Less: Recovery during the year  | 68,124,235           | 44,882,746           |
| Closing balance   | 637,942,333          | 585,667,528          |
| <b>18 Inter- company loan</b>   |                      |                      |
| Opening balance   | 180,504,200          | 194,172,600          |
| Add: Addition during the year   | 53,200,000           | -                    |
|   | 233,704,200          | 194,172,600          |
| Less: Adjustment during the year  | 18,050,421           | 13,668,400           |
| Closing balance   | <b>215,653,779</b>   | <b>180,504,200</b>   |
| <b>Name of Company:</b>   |                      |                      |
| 1. Gas transmission company Ltd   | 162,453,779          | 180,504,200          |
| 2. Petrobangla for LNG terminal   | 53,200,000           | -                    |
|   | <b>215,653,779</b>   | <b>180,504,200</b>   |
| The above amount was given to GTCL as loan as per Petrobangla letter reference no. 12.04.237/gtcl/724 dated 23 December 2012. |                      |                      |
| <b>19 Investment in shares</b>  | <b>17,687,000</b>    | <b>17,687,000</b>    |

Oriental Bank Ltd's banking operation was suspended by Bangladesh Bank and subsequently was taken over by ICB Islamic Bank Ltd. Bangladesh Bank issued circular BRPD(R-1)651/9/(10)/2007-446 dated: 02-08-07 for reorganisation of Oriental Bank Ltd. Accordingly deposit holders were allowed a portion of their deposit into buying the shares of ICB Islamic Bank Ltd. In this process the company became owner of 1,768,700 shares of BDT 10 each amounting to BDT 17,687,000.



Jalalabad Gas Transmission and Distribution System Limited  
Notes to the Financial Statements  
For the year ended 30 June 2018

|  | 2018<br>BDT          | 2017<br>BDT          |
|--|----------------------|----------------------|
| <b>20 Security deposit of customers and contractors (non-cash)</b> |                      |                      |
| Opening balance  | 2,023,770,138        | 1,993,041,382        |
| Add: Addition during the year                                      | 251,563,973          | 347,955,409          |
|  | 2,275,334,111        | 2,340,996,791        |
| Less: Refund during the year                                       | 6,763,254            | 317,226,653          |
| Closing balance  | <u>2,268,570,857</u> | <u>2,023,770,138</u> |
| <b>21 Inventories</b>  |                      |                      |
| Stores and spares  | 292,153,746          | 276,635,424          |
| Goods-in-transit (foreign)   | 6,492,621            | 8,811,609            |
| Goods-in-transit (local)   | 64,350               | 20,794,408           |
|  | <u>298,710,717</u>   | <u>306,241,441</u>   |
| <b>22 Advances, deposits and prepayments</b>                       |                      |                      |
| Corporate income tax (note 22.1)                                   | 4,530,970,733        | 3,963,093,384        |
| Advances (note 22.2)   | 79,999,467           | 48,086,755           |
| Deposits with PDB (note 22.3)                                      | 427,545              | 427,545              |
| Deposits with Telephone and Telegraph Board (note 22.4)            | 39,238               | 39,238               |
| Office rent  | 177,667              | 177,667              |
| Prepaid insurance premium  | 2,064,550            | 2,063,109            |
| Deposit to BOC   | 32,000               | 32,000               |
| Deposit to RPGCL   | 35,175               | 35,175               |
| Advances T & D license fee   | -                    | 1,150,000            |
|  | <u>4,613,746,375</u> | <u>4,015,104,873</u> |
| <b>22.1 Corporate income tax</b>                                   |                      |                      |
| Financial year - 1995-1996   | 37,807,058           | 37,807,058           |
| Financial year - 1996-1997   | (22,758,772)         | (22,758,772)         |
| Financial year - 1997-1998   | -                    | -                    |
| Financial year - 1998-1999   | 32,521,087           | 32,521,087           |
| Financial year - 1999-2000   | 57,646,449           | 57,646,449           |
| Financial year - 2000-2001   | 62,272,000           | 62,272,000           |
| Financial year - 2001-2002   | 69,151,265           | 69,151,265           |
| Financial year - 2002-2003   | 52,607,853           | 52,607,853           |
| Financial year - 2003-2004   | 45,603,148           | 45,603,148           |
| Financial year - 2004-2005   | 62,966,283           | 62,966,283           |
| Financial year - 2005-2006   | 64,941,704           | 64,941,704           |
| Financial year - 2006-2007   | 101,739,616          | 101,739,616          |
| Financial year - 2007-2008   | 107,673,868          | 107,673,868          |
| Financial year - 2008-2009   | 184,113,711          | 184,113,711          |
| Financial year - 2009-2010   | 206,931,639          | 206,931,639          |
| Financial year - 2010-2011   | 247,503,456          | 247,503,456          |
| Financial year - 2011-2012   | 380,312,491          | 380,312,491          |
| Financial year - 2012-2013   | 392,904,871          | 392,904,871          |
| Financial year - 2013-2014   | 431,304,986          | 431,304,986          |
| Financial year - 2014-2015   | 400,177,460          | 400,177,460          |
| Financial year - 2015-2016   | 529,083,901          | 529,083,901          |
| Financial year - 2016-2017   | 518,589,310          | 518,589,310          |
| Financial year - 2017-2018   | 567,877,349          | -                    |
|  | <u>4,530,970,733</u> | <u>3,963,093,384</u> |
| <b>22.2 Advances</b>   |                      |                      |
| Advance against procurement and others                             | 417,053              | 58,975               |
| Advance against incentive bonus & others                           | 79,582,414           | 48,027,780           |
|  | <u>79,999,467</u>    | <u>48,086,755</u>    |



**Jalalabad Gas Transmission and Distribution System Limited**

**Notes to Financial Statements**

**For the year ended 30 June 2018**

|   | 2018<br>BDT          | 2017<br>BDT          |
|---|----------------------|----------------------|
| <b>22.3 Deposits with PDB</b>                           |                      |                      |
| Financial year - 1990-1991                              | 5,500                | 5,500                |
| Financial year - 1995-1996                              | 120,000              | 120,000              |
| Financial year - 1998-1999                              | 3,000                | 3,000                |
| Financial year - 1999-2000                              | 20,700               | 20,700               |
| Financial year - 2000-2001                              | 197,720              | 197,720              |
| Financial year - 2002-2003                              | 48,953               | 48,953               |
| Financial year - 2003-2004                              | 5,100                | 5,100                |
| Financial year - 2005-2006                              | 5,500                | 5,500                |
| Financial year - 2007-2008                              | 8,822                | 8,822                |
| Financial year - 2008-2009                              | 5,500                | 5,500                |
| Financial year - 2010-2011                              | 6,750                | 6,750                |
|   | <u>427,545</u>       | <u>427,545</u>       |
| <b>22.4 Deposits with Telephone and Telegraph Board</b> |                      |                      |
| Financial year - 1981-1982                              | 250                  | 250                  |
| Financial year - 1982-1983                              | 775                  | 775                  |
| Financial year - 1983-1984                              | 1,000                | 1,000                |
| Financial year - 1986-1987                              | 213                  | 213                  |
| Financial year - 1995-1996                              | 24,000               | 24,000               |
| Financial year - 1997-1998                              | 2,000                | 2,000                |
| Financial year - 1998-1999                              | 6,000                | 6,000                |
| Financial year - 2001-2002                              | 5,000                | 5,000                |
|   | <u>39,238</u>        | <u>39,238</u>        |
| <b>23 Trade receivable</b>                              |                      |                      |
| Power (PDB)-govt.                                       | 1,125,184,928        | 691,051,353          |
| Power (PDB)-non-govt.                                   | 608,537,509          | 527,245,305          |
| Industry-Chhatak Cement Factory                         | 252,200,202          | 152,743,470          |
| Industry-others   | 161,712,962          | 136,032,008          |
| Tea estate  | 18,644,669           | 23,041,423           |
| Brick fields  | 1,792,672            | 1,792,672            |
| Commercial  | 79,648,137           | 74,033,548           |
| Domestic  | 354,747,124          | 319,209,558          |
| Lafarge Surma Cement                                    | 884,970,917          | 847,015,942          |
| CNG   | 438,560,983          | 398,697,649          |
| Shahjalal Fertilizer Factory                            | 620,197,766          | 99,866,280           |
| Captive power   | 180,817,108          | 134,082,568          |
| Other debtors (*)                                       | 8,663,322            | 5,566,471            |
|   | <u>4,735,678,299</u> | <u>3,410,378,247</u> |

The aging analysis of debts receivable from large industries are as follows:

| Year      | Chhatak<br>Cement factory | PDB<br>(Govt.)       | PDB<br>(Non-Govt.) | Lafarge            |
|-----------|---------------------------|----------------------|--------------------|--------------------|
| 2009-2010 | -                         | -                    | -                  | 74,625,775         |
| 2010-2011 | -                         | -                    | -                  | 455,723,385        |
| 2011-2012 | -                         | -                    | -                  | 47,963,013         |
| 2012-2013 | -                         | -                    | -                  | 3,821,842          |
| 2015-2016 | -                         | -                    | -                  | 19,125,216         |
| 2016-2017 | -                         | -                    | -                  | 28,106,300         |
| 2017-2018 | 252,200,202               | 1,125,184,928        | 608,537,509        | 255,605,386        |
|           | <u>252,200,202</u>        | <u>1,125,184,928</u> | <u>608,537,509</u> | <u>884,970,917</u> |

**Other debtors (\*)**

|                          |                  |
|--------------------------|------------------|
| Dearness allowance       | 173,006          |
| Adjustment for legal fee | 976,650          |
| Others                   | 7,513,666        |
|                          | <u>8,663,322</u> |

\* The overtime was paid during 1987, 1989 and 1990 over expected increase in D.A. by 10% on all those years but the increase was not actually allowed by the government. The advance is reported to be realised from concerned employees' final settlement bill upon their retirement/release from the service.

**24 Other current assets**

|                                     |                    |
|-------------------------------------|--------------------|
| Accrud FDR interest during the year | 183,975,980        |
|                                     | <u>183,975,980</u> |



**Jalalabad Gas Transmission and Distribution System Limited**  
**Notes to Financial Statements**  
**For the year ended 30 June 2018**

|  | 2018<br>BDT          | 2017<br>BDT          |
|--|----------------------|----------------------|
| <b>25 Cash and cash equivalents</b>  |                      |                      |
| Cash in hand   | -                    | -                    |
| Cash at bank (STD and C/A)   | 247,640,213          | 396,570,227          |
|  | <b>247,640,213</b>   | <b>396,570,227</b>   |
| <b>26 Gas purchase &amp; PB Margin( SFF)</b>   |                      |                      |
| Opening balance  | 2,817,576,001        | 2,376,519,004        |
| Add: Addition during the year  | 13,264,166,977       | 10,402,188,439       |
| Adjustment with BGfCL and PDF  | 274,608,551          | 340,505,514          |
|  | 16,356,351,529       | 13,119,212,957       |
| Less: Paid during the year   | 12,649,080,816       | 10,301,636,966       |
| Closing balance  | <b>3,707,270,713</b> | <b>2,817,576,001</b> |
| <b>Company wise break-up is as follows:</b>  |                      |                      |
| Sylhet Gas Fields Ltd.   | 475,767,992          | 545,784,374          |
| Bangladesh Gas Fields Co. Ltd.   | 497,130,382          | 522,975,986          |
| Jalalabad Gas Fields (IOC)   | 1,345,885,198        | 1,137,121,403        |
| Bibiana Gas Field (IOC)  | 849,531,770          | 611,694,238          |
| Petrobangla Margin( SFF)   | 538,955,372          | -                    |
|  | <b>3,707,270,713</b> | <b>2,817,576,001</b> |
| This represents amount payable to gas producing companies against their shares of margin and Govt. Margin @ 55% of end users price on total gas purchase volume. |                      |                      |
| <b>27 Gas transmission charges</b>   |                      |                      |
| Opening balance  | 39,832,342           | 30,578,822           |
| Add: Addition during the year  | 229,692,613          | 175,943,058          |
|  | 269,524,955          | 206,521,880          |
| Less: Paid during the year   | 230,725,872          | 166,689,538          |
| Closing balance  | <b>38,799,083</b>    | <b>39,832,342</b>    |
| <b>Company-wise break-up is as follows :</b>   |                      |                      |
| Gas Transmission Co. Ltd.  | 37,905,703           | 39,320,523           |
| Titus Gas T & D Co. Ltd.   | 893,382              | 511,819              |
|  | <b>38,799,085</b>    | <b>39,832,342</b>    |
| <b>28 BAPEx margin</b>   |                      |                      |
| Opening balance  | 12,164,972           | 19,543,010           |
| Add; transfer from DWM for Bapex   | 1,514,754            | -                    |
| Add: Payable for the year  | 65,455,663           | 63,679,727           |
|  | 79,135,389           | 83,222,737           |
| Less: Paid during the year   | 43,679,725           | 71,057,765           |
| Closing balance  | <b>35,455,664</b>    | <b>12,164,972</b>    |
| <b>29 Deficit wellhead margin for BAPEx</b>  |                      |                      |
| Opening balance  | 17,832,707           | 25,969,277           |
| Add: Payable for the year  | 65,735,908           | 66,317,954           |
|  | 83,568,615           | 92,287,231           |
| Less: Paid during the year   | 46,317,954           | 74,454,524           |
| transfer to Bapex margin   | 1,514,754            | -                    |
| Closing balance  | <b>35,735,907</b>    | <b>17,832,707</b>    |
| <b>30 Gas development fund</b>   |                      |                      |
| Opening balance  | 95,479,444           | 79,966,741           |
| Add: Payable for the year  | 378,046,838          | 415,479,443          |
|  | 473,526,282          | 495,446,184          |
| Less: Paid during the year   | 405,479,445          | 399,966,740          |
| Closing balance  | <b>68,046,837</b>    | <b>95,479,444</b>    |
| <b>31 Price deficit fund</b>   |                      |                      |
| Opening balance  | 261,880,858          | 189,654,379          |
| Add: Payable for the year  | 881,100,630          | 952,386,371          |
|  | 1,142,981,488        | 1,142,040,750        |
| Less: Paid during the year   | 711,880,856          | 539,654,378          |
| Adjusted with BGfCL  | 274,608,551          | 340,505,514          |
| Closing balance  | <b>156,492,081</b>   | <b>261,880,858</b>   |



**Jalalabad Gas Transmission and Distribution System Limited**

**Notes to the Financial Statements**

**For the year ended 30 June 2018**

|   | <b>2018</b>          | <b>2017</b>          |
|---|----------------------|----------------------|
|   | <b>BDT</b>           | <b>BDT</b>           |
| <b>32 Energy security fund</b>                      |                      |                      |
| Opening balance                                     | 3,070,514,566        | 1,313,315,580        |
| Add net interest                                    | 155,217,883          | -                    |
| Add: Payable for the year                           | 1,736,305,925        | 1,757,198,986        |
|   | 4,962,038,374        | 3,070,514,566        |
| Less: Paid during the year                          | 3,940,000,000        | -                    |
| Closing balance                                     | <b>1,022,038,374</b> | <b>3,070,514,566</b> |
| <b>33 Support for short fall</b>                    |                      |                      |
| Opening balance                                     | 222,003,890          | -                    |
| Add: Payable for the year                           | 1,177,109,567        | 287,086,904          |
|   | 1,399,113,457        | 287,086,904          |
| Less: Paid during the year                          | 1,096,745,612        | 65,083,014           |
| Closing balance                                     | <b>302,367,845</b>   | <b>222,003,890</b>   |
| <b>34 Group current accounts</b>                    |                      |                      |
| Petrobangla current account                         | 60,337,218           | 40,910,402           |
| Titas Gas Transmission and Distribution Co. Ltd     | 4,635,300            | 1,365,128            |
| BAPEX current account                               | 102,194              | 102,194              |
| Madhapara Hard Rock and Mining Project              | (23,657)             | (23,657)             |
| Bakhrabad Gas Systems Ltd                           | (2,250,187)          | (1,994,497)          |
| Gas Transmission Co. Ltd (GTCL)                     | (409,779)            | (409,779)            |
| RPGL current account                                | 524,899              | 524,899              |
| SGFL current account                                | 438,776              | (234,899)            |
| PGCL current account                                | (1,727,743)          | (1,727,743)          |
| Barapukuria Coal Mining                             | 71,820               | 71,820               |
| Sondarban Distribution Company Ltd                  | 24,047,325           | 19,193,111           |
| Joypurhat Line Stone                                | 9,547                | 9,547                |
| Karnaphuli Gas Distribution Co. Ltd                 | 66,265               | 66,265               |
|   | <b>85,821,978</b>    | <b>57,852,791</b>    |
| <b>35 Creditors and accruals</b>                    |                      |                      |
| Creditors for expenses                              | 399,368,196          | 157,565,204          |
| Creditors for other finance                         | 248,779,345          | 127,710,290          |
| Security deposit (cash)                             | 22,416,375           | 23,501,922           |
|   | <b>670,563,916</b>   | <b>308,777,416</b>   |
| <b>36 Long term loan-current portion</b>            |                      |                      |
| Opening balance                                     | 47,591,000           | 34,866,000           |
| Add: Transfer from loan account                     | 49,048,000           | 47,591,000           |
|   | 96,639,000           | 82,457,000           |
| Less: Paid during the year                          | 47,558,000           | 34,866,000           |
| Closing balance                                     | <b>49,081,000</b>    | <b>47,591,000</b>    |
| <b>Projects:</b>                                    |                      |                      |
| Gas Supply to Sylhet Combine Cycle Shahajal Factory | 9,866,000            | 9,866,000            |
| Gas Transmission Net work Upgradation Project       | 39,215,000           | 37,725,000           |
|   | <b>49,081,000</b>    | <b>47,591,000</b>    |
| <b>37 Workers' profit participation fund</b>        |                      |                      |
| Opening balance                                     | 35,146,973           | 36,090,247           |
| Add: Payable for the year                           | 97,295,985           | 66,900,562           |
|   | 132,442,958          | 102,990,810          |
| Less: Paid during the year                          | 76,120,562           | 67,843,837           |
| Closing balance                                     | <b>56,322,396</b>    | <b>35,146,973</b>    |
| <b>38 Provision for doubtful debts</b>              |                      |                      |
| Opening balance                                     | 15,878,253           | 10,489,668           |
| Add: Addition during the year                       | 2,004,993            | 5,388,585            |
|   | 17,883,246           | 15,878,253           |
| Less: Adjustment during the year                    | -                    | -                    |
| Closing balance                                     | <b>17,883,246</b>    | <b>15,878,253</b>    |

Provision for doubtful debts has been made @ 3% on non-bulk customers as per Board resolution.



**Jalalabad Gas Transmission and Distribution System Limited**

**Notes to Financial Statements**

**For the year ended 30 June 2018**

|   | 2018<br>BDT          | 2017<br>BDT          |
|---|----------------------|----------------------|
| <b>39 Provision for income tax</b>        |                      |                      |
| Opening balance                           | 3,913,674,215        | 3,468,785,474        |
| Add: Provision during the year            | 647,018,301          | 444,888,741          |
|   | 4,560,692,516        | 3,913,674,215        |
| Less: Payment /adjustment during the year | -                    | -                    |
| Closing balance                           | <b>4,560,692,516</b> | <b>3,913,674,215</b> |

| 40 Gas sales                        | 2018                 |                       | 2017                 |                       |
|-------------------------------------|----------------------|-----------------------|----------------------|-----------------------|
|                                     | Volume (CM)          | BDT                   | Volume (CM)          | BDT                   |
| Power (PDB)-Govt.                   | 1,352,260,991        | 4,273,144,731         | 1,405,882,708        | 3,137,391,707         |
| Power Non-Govt.                     | 878,665,178          | 2,776,581,963         | 331,131,765          | 1,897,815,266         |
| Industry - CCF                      | 9,279,721            | 71,990,945            | 10,942,774           | 75,699,235            |
| Industry - Others                   | 126,074,641          | 978,323,703           | 113,755,432          | 790,705,937           |
| Tea estate                          | 26,175,165           | 194,219,725           | 26,950,648           | 177,819,609           |
| Commercial                          | 20,775,937           | 354,021,968           | 22,163,488           | 275,001,837           |
| Domestic                            | 233,832,238          | 2,167,353,972         | 241,749,449          | 1,894,363,920         |
| Lafarge Surma Cement Company Ltd.   | 123,490,552          | 958,321,887           | 129,627,040          | 899,176,835           |
| Shahjalal Fertilizer Company Ltd    | 329,968,562          | 1,433,170,178         | 356,873,244          | 931,049,514           |
| CNG                                 | 129,801,710          | 4,153,654,724         | 128,443,695          | 3,609,771,545         |
| Captive power- industries generator | 175,141,197          | 1,684,858,312         | 173,909,188          | 1,498,128,026         |
|                                     | <b>3,405,465,892</b> | <b>19,045,642,108</b> | <b>2,941,429,431</b> | <b>15,186,923,431</b> |

|   |                      |                    |
|---|----------------------|--------------------|
| <b>41 Other operational income</b>              |                      |                    |
| Minimum charges against sanctioned gas pressure | 456,194,187          | 295,415,060        |
| Surcharge for late payment                      | 42,649,148           | 28,805,958         |
| Meter rent                                      | 11,324,378           | 11,525,729         |
| Connection charge                               | 4,057,489            | 5,691,817          |
| Heating charge                                  | 762,508,205          | 370,356,951        |
|   | <b>1,276,733,407</b> | <b>711,795,515</b> |

**42 Gas purchases**

**Name of the Companies**

|                                   | Wellhead Margin    | SD+VAT               |                       |                       |
|-----------------------------------|--------------------|----------------------|-----------------------|-----------------------|
| Sylhet Gas Fields Ltd             | 148,402,545        | 1,774,309,798        | 1,922,712,343         | 2,071,641,314         |
| Bangladesh Gas Fields Company Ltd | 163,407,790        | 1,885,105,861        | 2,048,513,651         | 2,187,808,044         |
| Jalalabad Gas Field (IOC)         | -                  | -                    | 5,718,158,362         | 4,405,143,676         |
| Bibiana Gas Field (IOC)           | -                  | -                    | 3,035,827,249         | 1,737,595,405         |
| Petrobangla Margin against SFF    | -                  | -                    | 538,955,372           | -                     |
|                                   | <b>311,810,335</b> | <b>3,659,415,659</b> | <b>13,264,166,977</b> | <b>10,402,188,439</b> |

**43 BAPEX margin**

This represents contribution to the Bangladesh Petroleum Exploration and Production Company Ltd (BAPEX).

**Type of user:**

|                                      |                   |                   |
|--------------------------------------|-------------------|-------------------|
| Power (PDB)                          | 42,380,587        | 36,535,752        |
| Industries                           | 5,818,474         | 6,591,108         |
| Tea estate                           | 708,273           | 944,286           |
| Commercial                           | 442,886           | 547,091           |
| Domestic                             | 4,905,216         | 5,927,135         |
| CNG                                  | 6,501,770         | 7,473,896         |
| Captive power - industries generator | 4,698,457         | 5,660,459         |
|                                      | <b>65,455,663</b> | <b>63,679,727</b> |



**Jalalabad Gas Transmission and Distribution System Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

|  | <b>2018</b>          | <b>2017</b>          |
|--|----------------------|----------------------|
|  | <b>BDT</b>           | <b>BDT</b>           |
| <b>44 Gas development fund</b>   |                      |                      |
| <b>Type of user</b>  |                      |                      |
| Power (PDB)  | 82,995,314           | 71,549,181           |
| Fertilizer   | 18,307,460           | 22,532,544           |
| Industries   | 34,304,754           | 38,860,073           |
| Tea estate   | 4,175,861            | 5,567,355            |
| Commercial   | 5,148,552            | 6,359,929            |
| Domestic   | 26,396,196           | 31,895,394           |
| CNG  | 187,014,545          | 214,976,421          |
| Captive power - industries general   | 19,704,156           | 23,738,546           |
|  | <b>378,046,838</b>   | <b>415,479,443</b>   |
| <b>45 Deficit wellhead margin for BAPEX</b>  |                      |                      |
| This represents deficit wellhead margin for BAPEX  |                      |                      |
| <b>Type of user</b>  |                      |                      |
| Power (PDB)  | 35,317,155           | 30,446,460           |
| Fertilizer   | 4,786,264            | 5,890,861            |
| Industries   | 4,848,728            | 5,492,590            |
| Tea estate   | 590,228              | 786,905              |
| Commercial   | 369,072              | 455,909              |
| Domestic   | 4,087,680            | 4,939,279            |
| CNG  | 11,821,400           | 13,588,902           |
| Captive power - industries general   | 3,915,381            | 4,717,048            |
|  | <b>65,735,908</b>    | <b>66,317,954</b>    |
| <b>46 Gas transmission charges</b>   |                      |                      |
| This represents payable to Gas Transmission Company Limited for use of their transmission lines. |                      |                      |
| <b>Name of the Company</b>   |                      |                      |
| Gas Transmission Company Limited (GTCL)  | 227,905,704          | 174,320,523          |
| Titans Gas Transmission and Distribution Company Ltd.  | 1,786,909            | 1,622,535            |
|  | <b>229,692,613</b>   | <b>175,943,058</b>   |
| <b>47 Price deficit fund charges</b>   |                      |                      |
| Power (PDB)  | 271,209,437          | 236,597,373          |
| Fertilizer   | 31,560,084           | 38,914,923           |
| Industries   | 90,317,818           | 103,262,094          |
| Tea estate   | 10,962,657           | 14,709,656           |
| Commercial   | 12,000,619           | 14,907,117           |
| Domestic   | 70,614,330           | 85,791,336           |
| CNG  | 351,198,643          | 405,290,120          |
| Captive power - industries general   | 43,237,042           | 52,913,752           |
|  | <b>881,100,630</b>   | <b>952,386,371</b>   |
| <b>48 Energy security fund contribution</b>  |                      |                      |
| Power (PDB)  | 275,519,382          | 214,521,288          |
| Fertilizer   | 17,653,318           | 19,092,719           |
| Industries   | 328,603,617          | 322,865,900          |
| Tea estate   | 29,813,513           | 30,696,788           |
| Commercial   | 52,022,946           | 55,497,374           |
| Domestic   | 343,312,493          | 354,936,541          |
| CNG  | 254,995,459          | 252,327,637          |
| Captive power - industries general   | 434,385,197          | 431,329,568          |
|  | <b>1,736,305,925</b> | <b>1,681,267,815</b> |



**Jalalabad Gas Transmission and Distribution System Limited**

**Notes to Financial Statements**

**For the year ended 30 June 2018**

|                                    | <b>2018</b>                 | <b>2017</b>               |
|------------------------------------|-----------------------------|---------------------------|
|                                    | <b>BDT</b>                  | <b>BDT</b>                |
| <b>49 Support For Short fall</b>   |                             |                           |
| Power (PDB)                        | 318,995,717                 | 59,628,764                |
| Fertilizer                         | 15,555,359                  | 4,483,542                 |
| Industries                         | 123,642,575                 | 26,965,059                |
| Tea estate                         | 14,313,023                  | 2,459,789                 |
| Commercial                         | 52,408,196                  | 11,786,202                |
| Domestic                           | 233,325,194                 | 81,812,188                |
| CNG                                | 295,534,995                 | 72,930,469                |
| Captive power- industries generatr | 123,334,508                 | 27,020,892                |
|                                    | <b><u>1,177,109,567</u></b> | <b><u>287,086,905</u></b> |
| <b>50 Operating expense</b>        |                             |                           |
| <b>Direct costs:</b>               |                             |                           |
| Employee cost (note 50.1)          | 752,358,194                 | 530,558,839               |
| Repair and maintenance (note 50.2) | 41,475,187                  | 41,579,803                |
| Security expense                   | 54,998,560                  | 56,983,800                |
| Other direct cost (note 50.3)      | 129,762,099                 | 114,510,696               |
|                                    | <b><u>978,594,040</u></b>   | <b><u>743,633,138</u></b> |
| Administrative costs (note 50.4)   | 7,177,171                   | 7,207,865                 |
|                                    | <b><u>985,771,211</u></b>   | <b><u>750,841,003</u></b> |



**Jalalabad Gas Transmission and Distribution System Limited**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

|  | 2018<br>BDT        | 2017<br>BDT        |
|--|--------------------|--------------------|
| <b>50.1 Employee cost</b>                |                    |                    |
| Officers' salary                         | 144,156,131        | 151,397,219        |
| Staff salary                             | 60,686,945         | 64,618,543         |
| Educational allowance                    | 3,484,888          | 3,601,549          |
| Overtime                                 | 41,491,100         | 40,828,022         |
| House rent allowance                     | 78,958,485         | 75,971,518         |
| Gratuity                                 | 88,220             | 42,000             |
| Leave pay                                | 28,192,281         | 13,713,022         |
| Festival bonus                           | 34,239,851         | 33,737,286         |
| Incentive bonus                          | 33,768,641         | 32,170,808         |
| Bangla Noboborsho Bonus                  | 3,273,296          | 3,320,893          |
| Liveries and uniform                     | 9,708,450          | 11,171,653         |
| Recreation allowance                     | 15,985,020         | 17,865,481         |
| Company's contribution to provident fund | 25,740             | 24,504             |
| Gas subsidy                              | 5,089,680          | 4,684,412          |
| Medical allowance                        | 9,759,990          | 10,226,246         |
| Lunch subsidy-staff                      | 3,899,070          | 3,614,333          |
| Lunch subsidy-officers                   | 4,034,455          | 3,870,018          |
| Medical expenses                         | 1,228,337          | 1,834,648          |
| Welfare expenses                         | 3,492,112          | 3,109,596          |
| Group insurance                          | 5,010,773          | 4,749,740          |
| Washing allowance                        | 917,378            | 925,525            |
| Conveyance allowance                     | 755,436            | 753,474            |
| Pension fund                             | 257,492,216        | 45,760,027         |
| Honorarium                               | 2,449,200          | 1,989,050          |
| Others                                   | 4,170,499          | 579,272            |
|  | <u>752,358,194</u> | <u>530,558,839</u> |
| <b>50.2 Repair and maintenance</b>       |                    |                    |
| Vehicles                                 | 5,106,552          | 4,987,878          |
| Plant and pipeline machinery             | 20,075,773         | 24,876,254         |
| Building                                 | 15,815,347         | 11,550,844         |
| Furniture, fixtures and office equipment | 477,515            | 164,827            |
|  | <u>41,475,187</u>  | <u>41,579,803</u>  |
| <b>50.3 Other direct costs</b>           |                    |                    |
| Travelling and conveyance                | 7,996,862          | 7,969,436          |
| Telephone and telex                      | 4,199,242          | 3,985,741          |
| Fuel, oil and lubricants                 | 7,983,896          | 7,972,323          |
| Electricity                              | 6,456,394          | 6,088,404          |
| Transport hire                           | 16,997,184         | 15,476,589         |
| Office rent                              | 3,555,726          | 3,782,724          |
| Municipal tax and land revenue           | 7,930,899          | 6,916,404          |
| Insurance                                | 1,901,544          | 1,226,451          |
| Training expenses                        | 33,062,572         | 25,597,001         |
| Wages of workers (casual labour)         | 19,947,686         | 17,995,491         |
| Entertainment expenses                   | 2,953,547          | 2,659,900          |
| Electric accessories                     | 1,419,150          | 1,398,702          |
| Bank charges                             | 2,498,795          | 1,998,877          |
| Legal fees/ consultancy fees             | 4,999,430          | 1,801,467          |
| Entertainment allowance                  | 200,816            | 205,119            |
| Donation and subscription                | 1,697,216          | 2,475,214          |
| Directors' honorarium                    | 792,600            | 606,000            |
| Audit fees                               | 252,420            | 236,942            |
| Crockeries and cutlery                   | 96,080             | 53,489             |
| Domestic use of gas                      | 124,397            | 96,725             |
| Residential furnishing                   | 98,512             | 98,872             |
| Others-CSR                               | 4,597,131          | 5,868,825          |
|  | <u>129,762,099</u> | <u>114,510,696</u> |



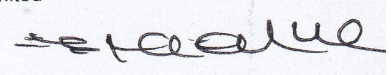
**Jalalabad Gas Transmission and Distribution System Limited**  
**Notes to Financial Statements**  
**For the year ended 30 June 2018**

|  | 2018<br>BDT               | 2017<br>BDT               |
|--|---------------------------|---------------------------|
| <b>50.4 Administrative costs</b>   |                           |                           |
| Office, stationery and printing  | 3,995,518                 | 4,491,412                 |
| Advertisement  | 2,497,281                 | 2,180,111                 |
| Newspaper and periodicals  | 684,372                   | 536,342                   |
|  | <u>7,177,171</u>          | <u>7,207,865</u>          |
| <b>51 Petrobangla actual cost recovery</b>   | <b><u>49,748,000</u></b>  | <b><u>53,086,000</u></b>  |
| The above amount represents contribution to Petrobangla as part of head office expenses.                       |                           |                           |
| <b>52 Non-operational income</b>   |                           |                           |
| Sale of tender schedule  | 109,400                   | 638,982                   |
| Suppliers' registration fees   | 95,000                    | 764,800                   |
| Sale of pipeline materials (customer finance)  | 25,601,951                | 38,915,974                |
| Sale of condensate   | -                         | 1,976,549                 |
| Sale of gas bill books   | 94,269                    | 96,010                    |
| Other rental income  | 5,442,326                 | 5,509,411                 |
| Penalty  | 2,224,991                 | 1,344,457                 |
| Miscellaneous income   | 2,089,698                 | 3,741,480                 |
|  | <u>35,657,635</u>         | <u>52,987,663</u>         |
| <b>53 Finance income</b>   |                           |                           |
| Interest on FDR accounts   | 542,484,680               | 372,510,121               |
| Interest on STD accounts   | 65,912,255                | 45,368,586                |
| Interest on employee loan  | 17,944,825                | 15,900,419                |
| Interest on inter-company loan   | 3,475,324                 | 2,707,563                 |
|  | <u>629,817,084</u>        | <u>436,486,689</u>        |
| <b>54 Finance expense</b>  |                           |                           |
| This represents interest on local ADP loan which is made up as follows :                                       |                           |                           |
| Sylhet Combined Cycle Power Station and Shahjalal Fertilizer Factory   | 1,602,000                 | 1,998,000                 |
| Sylhet Gas Transmission Network Upgradation Project  | 16,825,000                | 18,026,000                |
|  | <u>18,427,000</u>         | <u>20,024,000</u>         |
| <b>55 Provision for contribution to workers' profit participation fund</b><br>(Details are given in note 2.11) | <b><u>97,295,985</u></b>  | <b><u>66,900,562</u></b>  |
| <b>56 Income tax expense</b>   | <b><u>647,018,301</u></b> | <b><u>444,888,742</u></b> |
| Provision for income tax @ 35% on accounting profit  |                           |                           |

for and on behalf of Board of Directors of  
Jalalabad Gas Transmission and Distribution System Limited

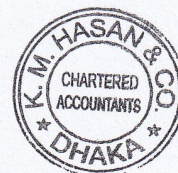
  
\_\_\_\_\_  
Company Secretary

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Managing Director

Place: Dhaka, Bangladesh

Dated: 17 October 2018



Details of property, plant and equipment

For the year ended 30 June 2018

| Category of asset                   | Cost                 |                      |                 |                      |      | Depreciation         |                    |                      |                      |                       |
|-------------------------------------|----------------------|----------------------|-----------------|----------------------|------|----------------------|--------------------|----------------------|----------------------|-----------------------|
|                                     | At                   | Addition             | Adjustment      | Total at             | Rate | To                   | Charge for         | Adjustment for       | Total to             | Written down          |
|                                     | 01 July 2017         | during the year      | during the year | 30 June 2018         | %    | 01 July 2017         | the year           | the year             | 30 June 2018         | value at 30 June 2018 |
|                                     | BDT                  | BDT                  | BDT             | BDT                  |      | BDT                  | BDT                | BDT                  | BDT                  | BDT                   |
| Freehold land                       | 203,213,654          | -                    | -               | 203,213,654          |      | -                    | -                  | -                    | -                    | 203,213,654           |
| Land infrastructure                 | 12,967,858           | -                    | -               | 12,967,858           | 5    | 9,585,773            | 498,117            | 10,083,890           | -                    | 12,967,858            |
| Concrete and bricks                 | 433,497,394          | 7,295,983            | -               | 440,793,377          | 2.5  | 163,858,683          | 10,831,132         | 174,689,815          | -                    | 440,793,377           |
| Sheds and temporary structure       | 15,186,085           | -                    | -               | 15,186,085           | 10   | 11,621,701           | 763,497            | 12,385,198           | -                    | 15,186,085            |
| Walls and store yards               | 47,108,261           | 2,366,667            | -               | 49,474,928           | 5    | 20,754,761           | 1,950,803          | 22,705,564           | -                    | 49,474,928            |
| Furniture and fixtures              | 39,878,176           | 1,853,423            | -               | 41,731,599           | 10   | 31,158,721           | 1,544,635          | 32,703,356           | -                    | 41,731,599            |
| Domestic appliance                  | 4,804,603            | -                    | -               | 4,804,603            | 15   | 4,270,336            | 85,701             | 4,356,037            | -                    | 4,804,603             |
| Office equipment                    | 45,929,716           | 2,460,530            | -               | 48,390,246           | 15   | 41,262,364           | 1,656,924          | 42,919,288           | -                    | 48,390,246            |
| Other equipment                     | 107,650,365          | 218,500              | -               | 107,868,865          | 15   | 106,837,162          | 342,494            | 107,179,656          | -                    | 107,868,865           |
| Transmission lines                  | 403,487,307          | -                    | -               | 403,487,307          | 3.33 | 331,450,746          | 8,783,330          | 340,234,076          | -                    | 403,487,307           |
| Distribution lines                  | 3,035,626,039        | 7,393,831            | -               | 3,043,019,870        | 5    | 1,399,852,751        | 131,591,360        | 1,531,444,111        | -                    | 3,043,019,870         |
| Transmission and distribution plant | 526,402,395          | 1,112,781            | -               | 527,515,176          | 5    | 285,738,513          | 21,363,336         | 307,101,849          | -                    | 527,515,176           |
| Tube wells and ponds                | 16,385,693           | -                    | -               | 16,385,693           | 10   | 11,917,571           | 601,929            | 12,519,500           | -                    | 16,385,693            |
| Water pipe lines and tanks          | 1,338,792            | -                    | -               | 1,338,792            | 10   | 1,338,782            | -                  | 104,964,326          | -                    | 1,338,792             |
| Light vehicle                       | 113,607,023          | 21,750,930           | -               | 135,357,953          | 20   | 96,612,377           | 8,351,949          | 96,612,377           | -                    | 135,357,953           |
| Loose tools                         | 609,370              | -                    | -               | 609,370              | 25   | 609,360              | -                  | 609,360              | -                    | 609,370               |
| <b>Total at 30 June 2018</b>        | <b>5,007,692,731</b> | <b>44,452,645</b>    | <b>-</b>        | <b>5,052,145,376</b> |      | <b>2,516,869,601</b> | <b>188,365,207</b> | <b>2,800,508,403</b> | <b>-</b>             | <b>5,052,145,376</b>  |
| <b>Total at 30 June 2017</b>        | <b>3,961,403,507</b> | <b>1,046,289,224</b> |                 | <b>5,007,692,731</b> |      | <b>2,340,376,851</b> | <b>176,492,750</b> | <b>2,516,869,601</b> | <b>5,033,739,202</b> | <b>2,490,823,130</b>  |



Jalalabad Gas Transmission and Distribution System Limited

Annexure- B

Key Performance Indicator  
For the year ended 30 June 2018

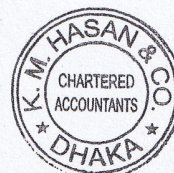
(BDT in lac)

| SI no | Particulars  | 2018<br>BDT                              | Ratio          | 2017<br>Ratio  | Standard<br>Ratio       |
|-------|--|--|----------------|----------------|-------------------------|
| 1     | Current ratio: $\frac{\text{Current assets}}{\text{Current liabilities}}$  | $\frac{100,797}{108,066}$                | 0.93:1         | 1.04:1         | 2:1                     |
| 2     | Quick ratio: $\frac{\text{Quick assets}}{\text{Current liabilities}}$  | $\frac{49,833}{108,066}$                 | 0.46:1         | 0.48:1         | 1:1                     |
| 3     | Return on total sales revenue : $\frac{\text{Net profit before tax X 100}}{\text{Total sales revenue}}$  | $\frac{18,486 \times 100}{203,223}$      | 9.10%          | 7.99%          | 10%-20%                 |
| 4     | Rate of return on capital employed: $\frac{\text{Net profit before Tax X 100}}{\text{Capital employed}}$   | $\frac{18,486 \times 100}{153,123}$      | 12.07%         | 11.01%         | 15%-20%                 |
| 5     | Debt-equity ratio: $\frac{\text{Long term loan}}{\text{Capital and reserves}}$   | $\frac{6,191 \times 100}{86,324}$        | 7:93           | 8:92           | 70:30                   |
| 6     | Rate of return on average net fixed assets(ROR):<br>$\frac{\text{Net profit before tax+ interest cost X 100}}{\text{Average net fixed assets}}$      | $\frac{(18,486+184) \times 100}{37,715}$ | 49.50%         | 62.80%         | Not less than 12%       |
| 7     | Debt- service ratio:<br>$\frac{\text{Net profit after tax + interest cost+ depreciation}}{\text{Interest cost + Current portion of long term loan}}$ | $\frac{12,016+184+1884}{184+491}$        | 20.87<br>Times | 15.16<br>Times | Not less than 1-2 times |
| 8     | Sales per employee: $\frac{\text{Total sales revenue}}{\text{Average no. of employee}}$  | $\frac{203,223}{517}$                    | 393.08         | 295.51         | -                       |
| 9     | Debtors in month : $\frac{\text{Debtors for gas sales}}{\text{Average 3 - month gas sales}}$   | $\frac{47,356}{47,614}$                  | 0.99:1.00      | 0.1:0.90       | 1:1                     |
| 10    | Net profit before tax per employee: $\frac{\text{Net profit before Tax}}{\text{Average no. of employee}}$  | $\frac{18,486}{517}$                     | 35.76          | 23.63          | -                       |
| 11    | Operating profit ratio: $\frac{\text{Operating profit X 100}}{\text{Sales}}$   | $\frac{12,989 \times 100}{190,457}$      | 6.82%          | 5.72%          | -                       |



Statement of Budget Variance Analysis  
For the year 2017-2018

| Sl.<br>no.               | Description                     | (BDT in lac)    |                 |                 |                |
|--------------------------|---------------------------------|-----------------|-----------------|-----------------|----------------|
|                          |                                 | Actual<br>2017  | Budget<br>2018  | Actual<br>2018  | Variance       |
|                          |                                 | BDT<br>1        | BDT<br>2        | BDT<br>3        | BDT<br>4 = 2-3 |
| <b>Cash expenses (A)</b> |                                 |                 |                 |                 |                |
| 1                        | Pay of officer                  | 1,513.97        | 1,598.00        | 1,441.56        | 156.44         |
| 2                        | Pay of staff                    | 646.18          | 690.00          | 606.87          | 83.13          |
| 3                        | Education allowance             | 36.02           | 40.50           | 34.84           | 5.66           |
| 4                        | House rent allowance            | 759.72          | 858.00          | 789.58          | 68.42          |
| 5                        | Festival bonus                  | 337.37          | 370.00          | 342.39          | 27.61          |
| 6                        | Incentive bonus                 | 321.71          | 356.00          | 337.68          | 18.32          |
| 7                        | Medical allowance               | 102.26          | 108.00          | 97.60           | 10.40          |
| 8                        | Medical expenses                | 18.34           | 22.00           | 12.28           | 9.72           |
| 9                        | Lunch subsidy staff             | 36.14           | 39.00           | 38.99           | 0.01           |
| 10                       | Conveyance allowance            | 7.53            | 10.00           | 7.55            | 2.45           |
| 11                       | Overtime allowance              | 408.28          | 420.00          | 414.91          | 5.09           |
| 12                       | Liveries and uniforms           | 111.72          | 105.00          | 97.08           | 7.92           |
| 13                       | Washing allowances              | 9.25            | 10.00           | 9.17            | 0.83           |
| 14                       | Welfare expenses                | 31.10           | 35.00           | 34.92           | 0.08           |
| 15                       | Leave pay                       | 137.13          | 163.68          | 281.92          | (118.24)       |
| 16                       | Gratuity                        | 0.42            | 2.50            | 0.88            | 1.62           |
| 17                       | Contribution to pension fund    | 457.60          | 2,631.35        | 2,574.92        | 56.43          |
| 18                       | Recreation allowance(LFA)       | 178.65          | 191.00          | 159.85          | 31.15          |
| 19                       | Lunch subsidy(officer)          | 38.71           | 41.00           | 40.34           | 0.66           |
| 20                       | Group insurance                 | 47.49           | 60.00           | 50.11           | 9.89           |
| 21                       | Contribution to providend fund  | 0.25            | 1.70            | 0.25            | 1.45           |
| 22                       | Gas allowance                   | 46.84           | 55.00           | 50.89           | 4.11           |
| 23                       | Honorarium                      | 19.89           | 30.00           | 24.49           | 5.51           |
| 24                       | Bangla nobabarsho bonus         | 33.21           | 43.50           | 32.74           | 10.76          |
| 25                       | Printing and stationery         | 44.93           | 40.00           | 39.95           | 0.05           |
| 26                       | Postage,telephone,fax, telex.   | 39.87           | 42.00           | 41.99           | 0.01           |
| 27                       | Electricity expenses            | 60.88           | 65.00           | 64.56           | 0.44           |
| 28                       | Electric accessories            | 13.99           | 15.00           | 14.19           | 0.81           |
| 29                       | Travelling expenses             | 79.69           | 80.00           | 79.96           | 0.04           |
| 30                       | Office rent                     | 37.83           | 45.00           | 35.55           | 9.45           |
| 31                       | Entertainment expenses          | 26.60           | 30.00           | 29.53           | 0.47           |
| 32                       | Training expenses               | 255.97          | 300.00          | 330.62          | (30.62)        |
| 33                       | Legal fees and consultancy fees | 18.02           | 50.00           | 49.99           | 0.01           |
| 34                       | Insurance expenses              | 12.26           | 30.00           | 19.03           | 10.97          |
|                          | <b>Sub total</b>                | <b>5,889.82</b> | <b>8,578.23</b> | <b>8,187.18</b> | <b>391.05</b>  |



**Statement of Budget Variance Analysis**  
**For the year 2017-2018**

| (BDT in lac)                 |  |                 |                  |                  |                |
|------------------------------|--|-----------------|------------------|------------------|----------------|
| Sl. No.                      | Description                                    | Actual 2017     | Budget 2018      | Actual 2018      | Variance       |
| 35                           | Director Honorarium                            | 6.06            | 13.00            | 7.94             | 5.06           |
| 36                           | Audit fees                                     | 2.37            | 3.00             | 2.52             | 0.48           |
| 37                           | Bank charges                                   | 19.99           | 25.00            | 24.98            | 0.02           |
| 38                           | Books and periodicals                          | 5.36            | 8.00             | 6.86             | 1.14           |
| 39                           | Corporation overhead                           | 530.86          | 500.87           | 497.50           | 3.37           |
| 40                           | Rent rate and taxes                            | 69.16           | 80.00            | 79.30            | 0.70           |
| 41                           | Petrol,oil and lubricant                       | 79.72           | 80.00            | 79.87            | 0.13           |
| 42                           | Transport rent                                 | 154.77          | 170.00           | 169.98           | 0.02           |
| 43                           | Repair and maintenance of vehicles             | 49.89           | 60.00            | 51.09            | 8.91           |
| 44                           | Repair and maintenance of plant and machinery. | 248.76          | 275.00           | 200.75           | 74.25          |
| 45                           | Repair and maintenance of building, etc.       | 115.51          | 190.00           | 158.15           | 31.85          |
| 46                           | Repair and maintenanceof furniture and fixture | 1.64            | 6.00             | 4.78             | 1.22           |
| 47                           | Donation and subscription                      | 24.75           | 17.00            | 16.97            | 0.03           |
| 48                           | Advertisement                                  | 21.80           | 25.00            | 24.97            | 0.03           |
| 49                           | Crockeries and cutleries                       | 0.54            | 1.00             | 0.96             | 0.04           |
| 50                           | Gas bill for resthouse & others - own use      | 0.97            | 1.25             | 1.25             | -              |
| 51                           | Residential furnishing                         | 0.99            | 1.25             | 0.99             | 0.26           |
| 52                           | Entertainment allowance                        | 2.05            | 2.50             | 2.00             | 0.50           |
| 53                           | Wages of irregular warkers                     | 179.95          | 200.00           | 199.49           | 0.51           |
| 54                           | Safety and security expenses                   | 569.83          | 550.00           | 549.98           | 0.02           |
| 55                           | School maintenance                             | -               | 5.00             |                  | 5.00           |
| 56                           | Others with CSR                                | 64.48           | 88.00            | 87.68            | 0.32           |
| <b>Sub total</b>             |  | <b>2,149.45</b> | <b>2,301.87</b>  | <b>2,168.01</b>  | <b>133.86</b>  |
| <b>Grand total (A)</b>       |  | <b>8,039.27</b> | <b>10,880.10</b> | <b>10,355.19</b> | <b>524.91</b>  |
| <b>Non cash expenses (B)</b> |  |                 |                  |                  |                |
| 57                           | Depreciation                                   | 1,764.92        | 1,810.50         | 1,883.64         | (73.14)        |
| 58                           | Bad and doubtful debts                         | 53.88           | 65.00            | 20.05            | 44.95          |
| <b>Sub total</b>             |  | <b>1,818.80</b> | <b>1,875.50</b>  | <b>1,903.69</b>  | <b>(28.19)</b> |
| <b>Grand total (A+B)</b>     |  | <b>9,858.07</b> | <b>12,755.60</b> | <b>12,258.88</b> | <b>496.72</b>  |

