

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

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Chartered Accountants
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**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



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

Jalalabad Gas Transmission and Distribution System Limited
Statement of Financial Position (Balance Sheet)

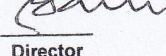
As at 30 June 2018

	<u>Notes</u>	2018 BDT	2017 BDT
1. Capital and reserves			
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
		8,632,454,159	7,980,848,743
2. Non-current liabilities			
3. Long term borrowings - unsecured			
Local	6	421,314,282	470,362,282
Foreign	7	197,798,568	192,602,665
		619,112,850	662,964,947
4. Long term liabilities - others			
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	
		6,060,777,097	2,904,768,198
		6,679,889,947	3,567,733,145
5. Total non-current liabilities (3+4)		15,312,344,106	11,548,581,888
6. Total capital employed (1+5)			
7. Non-current assets			
Property, plant and equipment	12	5,052,145,376	2,490,823,130
Capital works-in-progress	13	198,530,741	18,276,448
		5,250,676,117	2,509,099,578
8. Investments and other assets			
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
		10,788,487,960	11,827,392,954
		16,039,164,077	14,336,492,532
9. Total non-current assets (7+8)			
10. Current assets			
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
11. Total current assets		10,079,751,584	8,128,294,788
12. Current liabilities			
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
13. Total current liabilities		10,806,571,555	10,916,205,432
14. Net current assets (11-13)		(726,819,971)	(2,787,910,644)
15. Net assets (9+14)		15,312,344,106	11,548,581,888

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

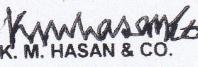

Company Secretary

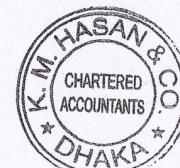
for and on behalf of Board of Directors of
Jalalabad Gas Transmission and Distribution System Limited


Director


Managing Director

Place: Dhaka, Bangladesh
Dated: 17 October 2018


K. M. HASAN & CO.
Chartered Accountants



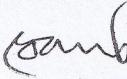
Jalalabad Gas Transmission and Distribution System Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2018

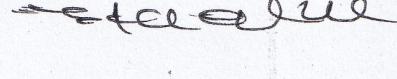
	<u>Notes</u>	2018 BDT	2017 BDT
1. Revenue			
Gas sales	40	19,045,642,108	15,186,923,431
Other operational income	41	1,276,733,407	711,795,515
		<u>20,322,375,515</u>	<u>15,898,718,946</u>
2. Cost of sales			
Gas purchases	42	13,264,166,977	10,402,188,439
BAPEX margin	43	65,455,663	63,679,727
Gas development 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>
3. Operating profit (1-2)		1,298,871,983	868,560,896
4. Non-operational income	52	35,657,635	52,987,663
5. Profit before interest and tax (3+4)		1,334,529,618	921,548,559
6. Financial income			
Finance income	53	629,817,084	436,486,689
Finance expense	54	(18,427,000)	(20,024,000)
		611,390,084	416,462,689
7. Profit before contribution to workers' profit participation fund and tax (5+6)		1,945,919,702	1,338,011,248
8. Provision for contribution to workers' profit participation fund	55	(97,295,985)	(66,900,562)
9. Profit before tax (7-8)		1,848,623,717	1,271,110,686
10. Income tax expense	56	(647,018,301)	(444,888,742)
11. Profit after tax (9-10)		1,201,605,416	826,221,944
12. Accumulated profit, brought forward		6,563,519,321	6,137,297,377
13. Profit available for distribution (11+12)		7,765,124,737	6,963,519,321
Appropriation :			
Contribution to national exchequer		(550,000,000)	(400,000,000)
Accumulated profit, carried forward		7,215,124,737	6,563,519,321

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

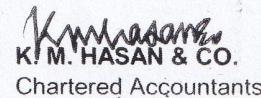

 Company Secretary


 Director


 Managing Director

Place: Dhaka, Bangladesh

Dated: 17 October 2018


 K.M. HASAN & CO.
 Chartered Accountants

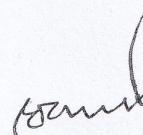


Jalalabad Gas Transmission and Distribution System Limited
Statement of Changes in Equity
For the year ended 30 June 2018

Particulars	Share capital	Share money deposit	Revenue reserve	Total BDT
	BDT	BDT	BDT	
Balance at 01 July 2016	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)
Balance at 30 June 2017	704,816,200	622,655,690	6,653,376,853	7,980,848,743
Balance at 01 July 2017	704,816,200	622,655,690	6,653,376,853	7,980,848,743
Addition against Sylhet Gas				
Transmission Network Upgradation	-	-	1,201,605,416	1,201,605,416
Net profit for the year	-	-	(550,000,000)	(550,000,000)
Contribution to national exchequer	-	-		
Balance at 30 June 2018	704,816,200	622,655,690	7,304,982,269	8,632,454,159

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



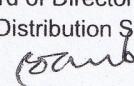
Jalalabad Gas Transmission and Distribution System Limited
Statement of Cash Flows
For the year ended 30 June 2018

	2018 BDT	2017 BDT
A. Cash flows from operating activities		
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	2,038,993,917	1,452,992,021
Changes in working capital components:		
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)	(12,385,227)
Group current accounts	27,969,187	57,727,598
Creditors and accruals	361,786,500	-
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)
Net cash from / (used in) operating activities	(1,180,767,350)	971,397,755
B. Cash flows from investing activities		
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
Net cash used in investing activities	(1,902,740,821)	(1,746,301,716)
C. Cash flows from financing activities		
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
Net cash used in financing activities	2,934,578,157	(1,002,433,871)
(A+B+C+D)	(148,930,014)	(324,345,811)
Cash and cash equivalents at the beginning of the year	396,570,227	720,916,038
Cash and cash equivalents at the end of the year	247,640,213	396,570,227

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



Company Secretary



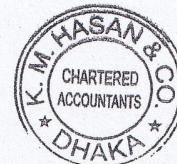
Director



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.



Jalalabad Gas Transmission and Distribution System Limited

Notes to the Financial Statements

For the year ended 30 June 2018

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.



Jalalabad Gas Transmission and Distribution System Limited

Notes to the Financial Statements

For the year ended 30 June 2018

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 BDT	2017 BDT
3 Share capital		
Authorised		
15,000,000 ordinary shares of BDT 100 each	<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid-up:		
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:		
Projects:		
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
	704,816,200	704,816,200

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
	622,655,690	622,655,690



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

	2018	2017
	BDT	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
<u>Add:</u> Net profit for the year	<u>-</u>	<u>1,201,605,416</u>	<u>1,201,605,416</u>	<u>826,221,944</u>
	<u>89,857,532</u>	<u>7,765,124,737</u>	<u>7,854,982,269</u>	<u>7,053,376,853</u>
<u>Less:</u> Contribution to national excheq	<u>-</u>	<u>(550,000,000)</u>	<u>(550,000,000)</u>	<u>(400,000,000)</u>
Closing balance	<u>89,857,532</u>	<u>7,215,124,737</u>	<u>7,304,982,269</u>	<u>6,653,376,853</u>

6 Long term borrowings - local

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

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
<u>Add:</u> Foreign exchange loss	<u>5,195,903</u>	<u>6,376,395</u>
	<u>197,798,568</u>	<u>192,602,665</u>
<u>Less:</u> Foreign exchange gain	<u>-</u>	<u>-</u>
Closing balance	<u>197,798,568</u>	<u>192,602,665</u>

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 BDT	2017 BDT
8 Security deposits - customers		
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/ 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>3,348,215,184</u>	<u>2,904,237,827</u>
9 Retirement benefit obligations (gratuity)		
Opening balance	249,451	207,451
<u>Add: Provision during the year</u>	<u>88,220</u>	<u>42,000</u>
	<u>337,671</u>	<u>249,451</u>
<u>Less: Payment/ adjustment made with leave pay during the year</u>	<u>-</u>	<u>-</u>
Closing balance	<u>337,671</u>	<u>249,451</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.		
10 Provision for leave pay		
Opening balance	280,920	-
<u>Add: Provision during the year</u>	<u>8,240</u>	<u>321,760</u>
	<u>289,160</u>	<u>321,760</u>
<u>Less: Payment during the year</u>	<u>-</u>	<u>40,840</u>
Closing balance	<u>289,160</u>	<u>280,920</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.		
11 Depreciation Fund		
Accumulated Depreciation upto 30th June 2017 (asper audited account)	2,516,869,601	-
<u>Add: Addition during the year</u>	<u>188,365,207</u>	<u>-</u>
<u>Add: Interest during the year (Note : 11.1)</u>	<u>6,700,274</u>	<u>-</u>
Balance as on 30th June 2018	<u>2,711,935,082</u>	<u>-</u>
Depreciation Fund Management created during the year as per company Board decision.		
11.1 Interest on Depreciation Fund FDR		
Opening balance	-	-
<u>Add: Addition during the year</u>	<u>6,700,274</u>	<u>-</u>
Closing balance	<u>6,700,274</u>	<u>-</u>
12 Property, plant and equipment		
Cost:		
Opening balance	5,007,692,731	3,961,403,507
<u>Add: Addition during the year</u>	<u>44,452,645</u>	<u>1,046,289,224</u>
Closing balance (A)	<u>5,052,145,376</u>	<u>5,007,692,731</u>
Depreciation:		
Opening Balance	2,516,869,601	2,340,376,851
<u>Add: charged during the year</u>	<u>188,365,207</u>	<u>176,492,750</u>
less: Transfer to Depreciation fund during the year	2,705,234,808	2,516,869,601
Closing balance (B)	<u>2,705,234,808</u>	<u>-</u>
Written down value (A-B)	<u>5,052,145,376</u>	<u>2,490,823,130</u>



Jalalabad Gas Transmission and Distribution System Limited

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

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

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 BDT	2017 BDT
20 Security deposit of customers and contractors (non-cash)		
Opening balance	2,023,770,138	1,993,041,382
<u>Add:</u> Addition during the year	251,563,973	347,955,409
	<u>2,275,334,111</u>	<u>2,340,996,791</u>
<u>Less:</u> Refund during the year	6,763,254	317,226,653
Closing balance	<u><u>2,268,570,857</u></u>	<u><u>2,023,770,138</u></u>
21 Inventories		
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><u>298,710,717</u></u>	<u><u>306,241,441</u></u>
22 Advances, deposits and prepayments		
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><u>4,613,746,375</u></u>	<u><u>4,015,104,873</u></u>
22.1 Corporate income tax		
Financial year - 1995-1996	37,807,058	37,807,058
Financial year - 1996-1997	(22,758,772)	(22,758,772)
Financial year - 1997-1998	32,521,087	32,521,087
Financial year - 1998-1999	57,646,449	57,646,449
Financial year - 1999-2000	62,272,000	62,272,000
Financial year - 2000-2001	69,151,265	69,151,265
Financial year - 2001-2002	52,607,853	52,607,853
Financial year - 2002-2003	45,603,148	45,603,148
Financial year - 2003-2004	62,966,283	62,966,283
Financial year - 2004-2005	64,941,704	64,941,704
Financial year - 2005-2006	101,739,616	101,739,616
Financial year - 2006-2007	107,673,868	107,673,868
Financial year - 2007-2008	184,113,711	184,113,711
Financial year - 2008-2009	206,931,639	206,931,639
Financial year - 2009-2010	247,503,456	247,503,456
Financial year - 2010-2011	380,312,491	380,312,491
Financial year - 2011-2012	392,904,871	392,904,871
Financial year - 2012-2013	431,304,986	431,304,986
Financial year - 2013-2014	400,177,460	400,177,460
Financial year - 2014-2015	529,083,901	529,083,901
Financial year - 2015-2016	518,589,310	518,589,310
Financial year - 2016-2017	567,877,349	-
Financial year - 2017-2018	<u><u>4,530,970,733</u></u>	<u><u>3,963,093,384</u></u>
22.2 Advances		
Advance against procurement and others	417,053	58,975
Advance against incentive bonus & others	<u><u>79,582,414</u></u>	<u><u>48,027,780</u></u>
	<u><u>79,999,467</u></u>	<u><u>48,086,755</u></u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
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	2018 BDT	2017 BDT
22.3 Deposits with PDB		
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
	427,545	427,545
22.4 Deposits with Telephone and Telegraph Board		
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
	39,238	39,238
23 Trade receivable		
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
	4,735,678,299	3,410,378,247

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

Year	Chhatak Cement factory	PDB (Govt.)	PDB (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
	252,200,202	1,125,184,928	608,537,509	884,970,917

Other debtors (*)

Dearness allowance	173,006
Adjustment for legal fee	976,650
Others	7,513,666
	8,663,322

* 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

Accrued FDR interest during the year

183,975,980

183,975,980



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

	2018 BDT	2017 BDT
25 Cash and cash equivalents		
Cash in hand	247,640,213	396,570,227
Cash at bank (STD and C/A)	<u>247,640,213</u>	<u>396,570,227</u>
26 Gas purchase & PB Margin(SFF)		
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	<u>274,608,551</u>	<u>340,505,514</u>
Less: Paid during the year	16,356,351,529	13,119,212,957
Closing balance	12,649,080,816	10,301,636,966
	<u>3,707,270,713</u>	<u>2,817,576,001</u>
Company wise break-up is as follows:		
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)	<u>538,955,372</u>	<u>-</u>
	<u>3,707,270,713</u>	<u>2,817,576,001</u>
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.		
27 Gas transmission charges		
Opening balance	39,832,342	30,578,822
Add: Addition during the year	<u>229,692,613</u>	<u>175,943,058</u>
Less: Paid during the year	269,524,955	206,521,880
Closing balance	<u>230,725,872</u>	<u>166,689,538</u>
	<u>38,799,083</u>	<u>39,832,342</u>
Company-wise break-up is as follows :		
Gas Transmission Co. Ltd.	37,905,703	39,320,523
Titas Gas T & D Co. Ltd.	893,382	511,819
	<u>38,799,085</u>	<u>39,832,342</u>
28 BAPEX margin		
Opening balance	12,164,972	19,543,010
Add: transfer from DWM for Bapex	1,514,754	-
Add: Payable for the year	<u>65,455,663</u>	<u>63,679,727</u>
Less: Paid during the year	79,135,389	83,222,737
Closing balance	<u>43,679,725</u>	<u>71,057,765</u>
	<u>35,455,664</u>	<u>12,164,972</u>
29 Deficit wellhead margin for BAPEX		
Opening balance	17,832,707	25,969,277
Add: Payable for the year	<u>65,735,908</u>	<u>66,317,954</u>
Less: Paid during the year	83,568,615	92,287,231
transfer to Bapex margin	46,317,954	74,454,524
Closing balance	<u>1,514,754</u>	<u>-</u>
	<u>35,735,907</u>	<u>17,832,707</u>
30 Gas development fund		
Opening balance	95,479,444	79,966,741
Add: Payable for the year	<u>378,046,838</u>	<u>415,479,443</u>
Less: Paid during the year	473,526,282	495,446,184
Closing balance	<u>405,479,445</u>	<u>399,966,740</u>
	<u>68,046,837</u>	<u>95,479,444</u>
31 Price deficit fund		
Opening balance	261,880,858	189,654,379
Add: Payable for the year	<u>881,100,630</u>	<u>952,386,371</u>
Less: Paid during the year	1,142,981,488	1,142,040,750
Adjusted with BGFCL	<u>711,880,856</u>	<u>539,654,378</u>
Closing balance	<u>274,608,551</u>	<u>340,505,514</u>
	<u>156,492,081</u>	<u>261,880,858</u>



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Notes to the Financial Statements
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	2018 BDT	2017 BDT
32 Energy security fund		
Opening balance	3,070,514,566	1,313,315,580
Add net interest	155,217,883	-
<u>Add: Payable for the year</u>	<u>1,736,305,925</u>	<u>1,757,198,986</u>
	4,962,038,374	3,070,514,566
<u>Less: Paid during the year</u>	<u>3,940,000,000</u>	<u>-</u>
<u>Closing balance</u>	<u>1,022,038,374</u>	<u>3,070,514,566</u>
33 Support for short fall		
Opening balance	222,003,890	-
<u>Add: Payable for the year</u>	<u>1,177,109,567</u>	<u>287,086,904</u>
	1,399,113,457	287,086,904
<u>Less: Paid during the year</u>	<u>1,096,745,612</u>	<u>65,083,014</u>
<u>Closing balance</u>	<u>302,367,845</u>	<u>222,003,890</u>
34 Group current accounts		
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
	85,821,978	57,852,791
35 Creditors and accruals		
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
	670,563,916	308,777,416
36 Long term loan-current portion		
Opening balance	47,591,000	34,866,000
<u>Add: Transfer from loan account</u>	<u>49,048,000</u>	<u>47,591,000</u>
	96,639,000	82,457,000
<u>Less: Paid during the year</u>	<u>47,558,000</u>	<u>34,866,000</u>
<u>Closing balance</u>	<u>49,081,000</u>	<u>47,591,000</u>
Projects:		
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
	49,081,000	47,591,000
37 Workers' profit participation fund		
Opening balance	35,146,973	36,090,247
<u>Add: Payable for the year</u>	<u>97,295,985</u>	<u>66,900,562</u>
	132,442,958	102,990,810
<u>Less: Paid during the year</u>	<u>76,120,562</u>	<u>67,843,837</u>
<u>Closing balance</u>	<u>56,322,396</u>	<u>35,146,973</u>
38 Provision for doubtful debts		
Opening balance	15,878,253	10,489,668
<u>Add: Addition during the year</u>	<u>2,004,993</u>	<u>5,388,585</u>
	17,883,246	15,878,253
<u>Less: Adjustment during the year</u>	<u>-</u>	<u>-</u>
<u>Closing balance</u>	<u>17,883,246</u>	<u>15,878,253</u>

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

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
	3,405,465,892	19,045,642,108	2,941,429,431	15,186,923,431

41 Other operational income

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
	1,276,733,407	711,795,515

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
Bangladesh Gas Fields Company Ltd	163,407,790	1,885,105,861	2,048,513,651
Jalalabad Gas Field (IOC)	-	-	5,718,158,362
Bibiana Gas Field (IOC)	-	-	3,035,827,249
Petrobangla Margin against SFF	-	-	538,955,372
	311,810,335	3,659,415,659	13,264,166,977
			10,402,188,439

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
	65,455,663	63,679,727



Jalalabad Gas Transmission and Distribution System Limited

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

	2018	2017
	BDT	BDT
44 Gas development fund		
Type of user		
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
	378,046,838	415,479,443
45 Deficit wellhead margin for BAPEX		
This represents deficit wellhead margin for BAPEX		
Type of user		
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
	65,735,908	66,317,954
46 Gas transmission charges		
This represents payable to Gas Transmission Company Limited for use of their transmission lines.		
Name of the Company		
Gas Transmission Company Limited (GTCL)	227,905,704	174,320,523
Titas Gas Transmission and Distribution Company Ltd.	1,786,909	1,622,535
	229,692,613	175,943,058
47 Price deficit fund charges		
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
	881,100,630	952,386,371
48 Energy security fund contribution		
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
	1,736,305,925	1,681,267,815



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2018

	2018	2017
	BDT	BDT
49 Support For Short fall		
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 generate	123,334,508	27,020,892
	1,177,109,567	287,086,905
50 Operating expense		
Direct costs:		
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
Administrative costs (note 50.4)	978,594,040	743,633,138
	7,177,171	7,207,865
	985,771,211	750,841,003



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

	2018 BDT	2017 BDT
50.1 Employee cost		
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>
50.2 Repair and maintenance		
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>
50.3 Other direct costs		
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 cutleries	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>



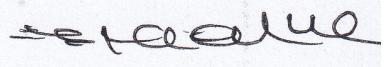
Jalalabad Gas Transmission and Distribution System Limited
 Notes to Financial Statements
 For the year ended 30 June 2018

	2018 BDT	2017 BDT
50.4 Administrative costs		
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>
51 Petrobangla actual cost recovery	<u>49,748,000</u>	<u>53,086,000</u>
The above amount represents contribution to Petrobangla as part of head office expenses.		
52 Non-operational income		
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>
53 Finance income		
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>
54 Finance expense		
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>
55 Provision for contribution to workers' profit participation fund	<u>97,295,985</u>	<u>66,900,562</u>
(Details are given in note 2.11)		
56 Income tax expense	<u>647,018,301</u>	<u>444,888,742</u>
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					Written down value at 30 June 2018	
	At 01 July 2017	Addition during the year	Adjustment during the year	Total at 30 June 2018	Rate %	To 01 July 2017	Charge for the year	Adjustment for the year	Total to 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	
Total at 30 June 2018	5,007,692,731	44,452,645	-	5,052,145,376		2,516,869,601	188,365,207	2,800,508,403	-	5,052,145,376	
Total at 30 June 2017	3,961,403,507	1,046,289,224	-	5,007,692,731		2,340,376,851	176,492,750	2,516,869,601	5,033,739,202	2,490,823,130	



Key Performance Indicator
For the year ended 30 June 2018

(BDT in lac)

Sl no	Particulars		2018 BDT	2018 Ratio	2017 Ratio	Standard Ratio
1	Current ratio:	<u>Current assets</u> Current liabilities	<u>100,797</u> 108,066	0.93:1	1.04:1	2:1
2	Quick ratio:	<u>Quick assets</u> Current liabilities	<u>49,833</u> 108,066	0.46:1	0.48:1	1:1
3	Return on total sales revenue :	<u>Net profit before tax X 100</u> Total sales revenue	<u>18,486x100</u> 203,223	9.10%	7.99%	10%-20%
4	Rate of return on capital employed:	<u>Net profit before Tax X 100</u> Capital employed	<u>18,486x100</u> 153,123	12.07%	11.01%	15%-20%
5	Debt-equity ratio:	<u>Long term loan</u> Capital and reserves	<u>6,191X 100</u> 86,324	7:93	8:92	70:30
6	Rate of return on average net fixed assets(ROR):					
		<u>Net profit before tax+ interest cost X 100</u> Average net fixed assets	<u>(18,486+184)x100</u> 37,715	49.50%	62.80%	Not less than 12%
7	Debt- service ratio:					
		<u>Net profit after tax + interest cost+ depreciation</u> Interest cost + Current portion of long term loan	<u>12,016+184+1884</u> 184+491	20.87 Times	15.16 Times	Not less than 1-2 times
8	Sales per employee:	<u>Total sales revenue</u> Average no. of employee	<u>203,223</u> 517	393.08	295.51	
9	Debtors in month:	<u>Debtors for gas sales</u> Average 3 - month gas sales	<u>47,356</u> 47,614	0.99:1.00	0.1:0.90	1:1
10	Net profit before tax per employee:	<u>Net profit before Tax</u> Average no. of employee	<u>18,486</u> 517	35.76	23.63	
11	Operating profit ratio:	<u>Operating profit X 100</u> Sales	<u>12,989X100</u> 190,457	6.82%	5.72%	



Statement of Budget Variance Analysis

For the year 2017-2018

(BDT in lac)

Sl. no.	Description	Actual 2017	Budget 2018	Actual 2018	Variance
		BDT	BDT	BDT	BDT
	Cash expenses (A)	1	2	3	4 = 2-3
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
	Sub total	5,889.82	8,578.23	8,187.18	391.05



Statement of Budget Variance Analysis

For the year 2017-2018

(BDT in lac)

Sl. No.	Description	Actual	Budget	Actual	Variance
		2017	2018	2018	
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 maintenance of 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 workers	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
Sub total		2,149.45	2,301.87	2,168.01	133.86
Grand total (A)		8,039.27	10,880.10	10,355.19	524.91
Non cash expenses (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
Sub total		1,818.80	1,875.50	1,903.69	(28.19)
Grand total (A+B)		9,858.07	12,755.60	12,258.88	496.72

