

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 2019

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

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Jalalabad Gas Transmission and Distribution System Limited**, which comprise the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management of Those Charged with Governance for the Financial Statements

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

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

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



Auditor's Responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that as appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion.



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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulation, We also report the following:

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

Place: Dhaka, Bangladesh

Dated: 17 October 2019

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



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

As at 30 June 2019

	<u>Notes</u>	2019 BDT	2018 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	8,081,134,005	7,304,982,269
		<u>9,408,605,895</u>	<u>8,632,454,159</u>
2. Non-current liabilities			
3. Long term borrowings - unsecured			
Local	6	372,266,282	421,314,282
Foreign	7	199,578,898	197,798,568
		<u>571,845,180</u>	<u>619,112,850</u>
4. Long term liabilities - others			
Security deposits-customers (cash and non-cash)	8	3,692,041,731	3,348,215,184
Retirement benefit obligations (gratuity)	9	573,051	337,671
Provision for leave pay	10	260,780	289,160
Depreciation fund	11	2,908,455,835	2,711,935,082
		<u>6,601,331,397</u>	<u>6,060,777,097</u>
5. Total non-current liabilities (3+4)		<u>7,173,176,577</u>	<u>6,679,889,947</u>
6. Total capital employed (1+5)		<u>16,581,782,472</u>	<u>15,312,344,106</u>
7. Non-current assets			
Property, plant and equipment	12	5,155,746,099	5,052,145,376
Capital works-in-progress	13	333,502,295	198,530,741
		<u>5,489,248,394</u>	<u>5,250,676,117</u>
8. Investments and other assets			
Fixed deposit receipt (FDR)	14	6,807,234,971	7,248,633,991
Fixed deposit against depreciation fund	15	583,513,250	400,000,000
Loan to employees	16	761,479,988	637,942,333
Inter-company loan	17	144,403,359	215,653,779
Investment in shares	18	17,687,000	17,687,000
Security deposit of customers and contractors (non-cash)	19	2,539,024,194	2,268,570,857
		<u>10,853,342,762</u>	<u>10,788,487,960</u>
9. Total non-current assets (7+8)		<u>16,342,591,156</u>	<u>16,039,164,077</u>
10. Current assets			
Inventories	20	285,246,256	298,710,717
Advances, deposits and prepayments	21	5,244,103,012	4,613,746,375
Trade receivable	22	4,272,970,899	4,049,439,775
Other receivable	23	719,430,840	686,238,524
Other current assets (Accrued interest on FDR)	24	249,994,114	183,975,980
Cash and cash equivalents	25	332,228,059	247,640,213
		<u>11,103,973,181</u>	<u>10,079,751,584</u>
11. Total current assets			
12. Current liabilities			
Liability for Gas purchase/Production charges	26	1,952,353,623	3,707,270,713
Liability for LNG charges	27	1,449,260,182	
Gas development fund	28	319,589,105	68,046,837
Energy security fund	29	228,468,882	1,022,038,374
Liability for Gas transmission charges	30	188,775,663	38,799,083
VAT for Gas development charges	31	37,033,991	
Value Added for Tax (VAT)	32	487,761,737	
BAPEX margin	33		35,455,664
Deficit wellhead margin for BAPEX	34		35,735,907
Price deficit fund charges	35		156,492,081
Support for short fall	36		302,367,845
Group current accounts	37	129,458,307	85,821,978
Creditors and accruals	38	622,055,382	670,563,916
Long term loan-current portion	39	49,081,000	49,081,000
Workers' profit participation fund	40	72,215,701	56,322,396
Provision for doubtful debts	41	27,030,995	17,883,246
Provision for income tax	42	5,301,697,297	4,560,692,516
		<u>10,864,781,865</u>	<u>10,806,571,555</u>
13. Total current liabilities		<u>239,191,316</u>	<u>(726,819,971)</u>
14. Net current assets (11-13)		<u>16,581,782,472</u>	<u>15,312,344,106</u>
15. Net assets (9+14)			

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 2019

K.M. HASAN & CO.
 Chartered Accountants

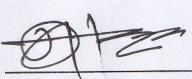


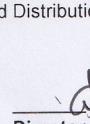
Jalalabad Gas Transmission and Distribution System Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2019

	<u>Notes</u>	2019 BDT	2018 BDT
1. Revenue			
Gas sales	43	20,143,454,572	19,045,642,108
Other operational income	44	939,992,319	1,276,733,407
		<u>21,083,446,891</u>	<u>20,322,375,515</u>
2. Cost of sales			
Production charges/Gas purchases	45	6,017,564,359	13,264,166,977
LNG Charges	46	6,262,235,168	-
Gas development fund	47	1,050,800,018	378,046,838
Energy security fund contribution	48	1,095,620,746	1,736,305,925
Gas transmission charges	49	779,017,298	229,692,613
VAT for Gas development fund	50	172,052,468	-
Value added tax (VAT)	51	2,589,062,166	-
BAPEX margin	52	15,018,989	65,455,663
Deficit wellhead margin for BAPEX	53	14,427,403	65,735,908
Price deficit fund charges	54	189,874,451	881,100,630
Support for short fall	55	250,342,090	1,177,109,567
Operating expenses	56	984,162,626	985,771,211
Petrobangla actual cost recovery	57	32,531,000	49,748,000
Bad debt expenses		9,147,749	2,004,993
Depreciation		<u>187,286,383</u>	<u>188,365,207</u>
		<u>19,649,142,914</u>	<u>19,023,503,532</u>
3. Operating profit (1-2)		1,434,303,977	1,298,871,983
4. Non-operational income	58	<u>100,212,652</u>	<u>35,657,635</u>
5. Profit before interest and tax (3+4)		1,534,516,629	1,334,529,618
6. Financial income			
Finance income	59	710,571,178	629,817,084
Finance expense	60	(16,502,000)	(18,427,000)
		694,069,178	611,390,084
7. Profit before contribution to workers' profit participation fund and tax (5+6)		2,228,585,807	1,945,919,702
8. Provision for contribution to workers' profit participation fund	61	(111,429,290)	(97,295,985)
9. Profit before tax (7-8)		2,117,156,517	1,848,623,717
10. Income tax expense	62	(741,004,781)	(647,018,301)
11. Profit after tax (9-10)		1,376,151,736	1,201,605,416
12. Accumulated profit, brought forward		7,215,124,737	6,563,519,321
13. Profit available for distribution (11+12)		8,591,276,473	7,765,124,737
Appropriation :			
Contribution to national exchequer		(600,000,000)	(550,000,000)
Accumulated profit, carried forward		7,991,276,473	7,215,124,737

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

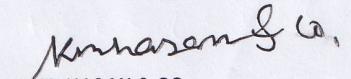
for and on behalf of Board of Directors of
 Jalalabad Gas Transmission and Distribution System Limited


 Company Secretary


 Director


 Managing Director

Place: Dhaka, Bangladesh
 Dated: 17 October 2019

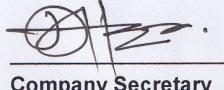

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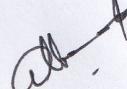


Jalalabad Gas Transmission and Distribution System Limited
Statement of Changes in Equity
For the year ended 30 June 2019

Particulars	Share capital	Share money deposit	Revenue reserve	Total
	BDT	BDT	BDT	BDT
Balance at 01 July 2017	704,816,200	622,655,690	6,653,376,853	7,980,848,743
Addition against Sylhet Gas Transmission				
Net profit for the year	-	-	1,201,605,416	1,201,605,416
Contribution to national exchequer	-	-	(550,000,000)	(550,000,000)
Balance at 30 June 2018	704,816,200	622,655,690	7,304,982,269	8,632,454,159
Balance at 01 July 2018	704,816,200	622,655,690	7,304,982,269	8,632,454,159
Net profit for the year	-	-	1,376,151,736	1,376,151,736
Contribution to national exchequer	-	-	(600,000,000)	(600,000,000)
Balance at 30 June 2019	704,816,200	622,655,690	8,081,134,005	9,408,605,895

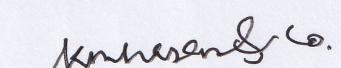
for and on behalf of Board of Directors of
 Jalalabad Gas Transmission and Distribution System Limited


 Company Secretary


 Director


 Managing Director

Place: Dhaka, Bangladesh
 Dated: 17 October 2019

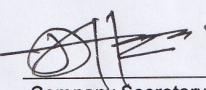

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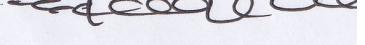
Jalalabad Gas Transmission and Distribution System Limited
Statement of Cash Flows
For the year ended 30 June 2019

	2019 BDT	2018 BDT
A. Cash flows from operating activities		
Net profit before tax	2,117,156,517	1,848,623,717
Adjustment for non-cash items:		
Depreciation	187,286,383	188,365,207
Provision for doubtful debts	9,147,749	2,004,993
Operating profit before changes in working capital	<u>2,313,590,649</u>	<u>2,038,993,917</u>
Changes in working capital components:		
Inventories	13,464,458	7,530,724
Advances, deposits and prepayments	(46,104,141)	(30,764,158)
Corporation income tax	(584,252,501)	(567,877,349)
Trade receivable	(223,531,124)	(1,325,300,052)
Other receivable	(33,192,316)	-
Creditors for gas purchase	(1,748,743,082)	889,694,712
Creditors for gas transmission charges	149,976,580	(1,033,259)
BAPEX margin	(35,455,664)	23,290,692
Deficit wellhead margin for BAPEX	(35,735,907)	17,903,200
Gas development fund	251,542,268	(27,432,607)
LNG Charges	1,449,260,182	-
Vat for gas development fund charges	37,033,991	-
VAT	487,761,737	-
Price deficit fund	(156,492,081)	(105,388,777)
Energy security fund	(793,569,492)	(2,048,476,192)
Support for short fall	(302,367,845)	80,363,955
Depreciation fund	196,520,753	2,711,835,082
Adjustment accumulated depreciation fund	(193,460,382)	(2,705,234,808)
Group current accounts	43,636,329	27,969,187
Creditors and accruals	(48,508,534)	361,786,500
Contribution to workers' profit participation fund	15,893,305	21,175,423
Leave pay	(28,380)	8,240
Payable for retirement benefit obligations(gratuity)	235,380	88,220
Contribution to national exchequer	<u>(600,000,000)</u>	<u>(550,000,000)</u>
Net cash from / (used in) operating activities	<u>157,474,182</u>	<u>(1,180,767,350)</u>
B. Cash flows from investing activities		
Fixed deposits receipts (FDR)	441,399,020	(1,094,057,903)
Fixed deposits against depreciation fund	(183,513,250)	(400,000,000)
Acquisition of property, plant and equipment	(103,600,723)	(44,452,645)
Other current assets	(66,018,134)	(183,975,980)
Payments for capital works-in-progress	(134,971,554)	(180,254,293)
Net cash used in investing activities	<u>(46,704,641)</u>	<u>(1,902,740,821)</u>
C. Cash flows from financing activities		
Inter-company loan	71,250,420	(35,149,579)
Payment for energy security fund	-	2,865,188,000
Increase in employee loans	(123,537,655)	(52,274,805)
Repayment of long term loans	(47,267,670)	(43,852,097)
Customers and contractors security deposit	343,826,547	443,977,357
Customers and contractors security deposit - non-cash	(270,453,337)	(244,800,719)
Long term loan current portion	-	1,490,000
Net cash used in financing activities	<u>(26,181,695)</u>	<u>2,934,578,157</u>
Net increase/(decrease) in cash and cash equivalents (A+B+C)	84,587,846	(148,930,014)
Cash and cash equivalents at the beginning of the year	<u>247,640,213</u>	<u>396,570,227</u>
Cash and cash equivalents at the end of the year	332,228,059	247,640,213

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 2019



Jalalabad Gas Transmission and Distribution System Limited

Notes to the Financial Statements

For the year ended 30 June 2019

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 2019

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 proceeds 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 stores 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 2019

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 2019

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

2.23 LNG Charge

LNG charge has been accounted for as per petrobangla letter no. 28.00.0000.026.02.014.15/7089

2.24 Revenue reserve

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

2.25 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.

2.26 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.

2.27 Depreciation Fund Management

Depreciation Fund Management Implement the company Vide Petrobangla letter no. 28.02.0000.026.42. 001.17/95, Date: 23-10-2017 & company board order no. 418, Date 12-08-2018.

2.28 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 2019

	2019 BDT	2018 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 Project	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	78,924,744	78,924,744
Fertilizer Factory		
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)

Projects :

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

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 2019

	2019 BDT	2018 BDT
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5. Revenue reserve

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

Description	General reserve	Appropriation account		
Opening balance	89,857,532	7,215,124,737	7,304,982,269	6,653,376,853
<u>Add:</u> Net profit for the year	-	1,376,151,736	1,376,151,736	1,201,605,416
	89,857,532	8,591,276,473	8,681,134,005	7,854,982,269
<u>Less:</u> Contribution to national exchequer	-	(600,000,000)	(600,000,000)	(550,000,000)
Closing balance	89,857,532	7,991,276,473	8,081,134,005	7,304,982,269

6. Long term borrowings - local

Opening balance	421,314,282	470,362,282
<u>Add:</u> Addition during the year	-	-
	421,314,282	470,362,282
<u>Less:</u> Transferred to current portion	49,048,000	49,048,000
Payment for the year		
Closing balance	372,266,282	421,314,282

Project:

Gas Supply to Sylhet Combined Cycle Power Station and Sahajalal Fertilizer Factory	23,916,320	24,031,476
Sylhet Gas transmission Network Upgradation Project	348,349,962	397,282,806
	372,266,282	421,314,282

7. Long term borrowings - foreign

Opening balance	197,798,568	192,602,665
<u>Add:</u> Foreign exchange loss	1,780,330	5,195,903
	199,578,898	197,798,568
<u>Less:</u> Foreign exchange gain	-	-
Closing balance	199,578,898	197,798,568
Project		
Third Natural Gas Development Project	199,578,898	197,798,568
	199,578,898	197,798,568



Jalalabad Gas Transmission and Distribution System Limited

Notes to the Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
8. Security deposits - customers		
a) Cash security deposited by customers :		
Domestic	355,528,521	347,933,702
Industrial	327,486,301	295,505,044
Captive power	274,186,622	247,171,301
Commercial	145,523,616	145,496,780
Tea-estates	42,943,356	37,880,609
CNG	7,349,121	5,656,891
	<u>1,153,017,537</u>	<u>1,079,644,327</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)	<u>2,538,037,494</u>	<u>2,267,584,157</u>
	<u>2,539,024,194</u>	<u>2,268,570,857</u>
	<u>3,692,041,731</u>	<u>3,348,215,184</u>
9. Retirement benefit obligations (gratuity)		
Opening balance	337,671	249,451
Add: Provision during the year	<u>235,380</u>	<u>88,220</u>
	<u>573,051</u>	<u>337,671</u>
Less: Payment/ adjustment during the year	-	-
Closing balance	<u>573,051</u>	<u>337,671</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	289,160	280,920
Add: Provision during the year	<u>16,680</u>	<u>8,240</u>
	<u>305,840</u>	<u>289,160</u>
Less: Payment during the year	45,060	-
Closing balance	<u>260,780</u>	<u>289,160</u>
Provision for leave pay has been made at one month of basic pay of each year of service, subject to maximum of eighteen months basic pay.		
11 Depreciation Fund		
Accumulated Depreciation upto 30th June 2017 (as per audited account)	2,711,935,082	2,516,869,601
Add: Addition during the year	187,286,383	188,365,207
Add: Accrued Interest during the year	9,234,370	6,700,274
Balance as on 30th June 2019	<u>2,908,455,835</u>	<u>2,711,935,082</u>
Depreciation Fund Management created as per Company Board Decision no. 418 date: 12.05.2018		
12 Property, plant and equipment		
Cost:		
Opening balance	5,052,145,376	5,007,692,731
Add: Addition during the year	<u>103,600,723</u>	<u>44,452,645</u>
Closing balance (A)	<u>5,155,746,099</u>	<u>5,052,145,376</u>
Depreciation:		
Opening Balance	-	2,516,869,601
Add: charged during the year	<u>187,286,383</u>	<u>188,365,207</u>
Less: Transfer to Depreciation fund during the year	187,286,383	2,705,234,808
Closing balance (B)	<u>187,286,383</u>	<u>2,705,234,808</u>
Written down value (A-B)	-	-
	<u>5,155,746,099</u>	<u>5,052,145,376</u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to the Financial Statements
For the year ended 30 June 2019

	2019	2018
	BDT	BDT
13 Capital works-in-progress		
Pipeline and Civil construction	20,568,459	29,149,943
Gas supply to Srihottu Economic Zone	312,933,836	169,380,798
	<u>333,502,295</u>	<u>198,530,741</u>
14 Fixed deposit receipt (FDR)		
State-owned banks	3,940,553,505	4,471,621,706
Private commercial banks	2,866,681,466	2,777,012,285
	<u>6,807,234,971</u>	<u>7,248,633,991</u>
15 Fixed deposit against depreciation fund		
Opening balance	400,000,000	400,000,000
Add: Addition during the year	160,000,000	-
<u>Add: Net interest</u>	23,513,250	-
	<u>583,513,250</u>	<u>400,000,000</u>
<u>Less: Adjustment during the year</u>	-	-
Closing balance	<u>583,513,250</u>	<u>400,000,000</u>
16 Loan to employees		
Land purchase and Housebuildin loan	756,239,502	631,088,047
Motor cycle loan	4,974,486	6,512,286
Computer loan	266,000	342,000
	<u>761,479,988</u>	<u>637,942,333</u>
Details of employees loan:		
Opening balance	637,942,333	585,667,528
<u>Add: Addition during the year</u>	210,707,796	120,399,040
<u>Less: Recovery during the year</u>	848,650,129	706,066,568
Closing balance	<u>761,479,988</u>	<u>637,942,333</u>
17 Inter- company loan		
Opening balance	215,653,779	180,504,200
<u>Add: Addition during the year</u>	-	53,200,000
<u>Less: Adjustment during the year</u>	215,653,779	233,704,200
Closing balance	<u>71,250,420</u>	<u>18,050,421</u>
	<u>144,403,359</u>	<u>215,653,779</u>
Name of Company:		
1. Gas transmission company Ltd	144,403,359	162,453,779
2. Petrobangla for LNG terminal	-	53,200,000
	<u>144,403,359</u>	<u>215,653,779</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.		
18 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 2019

	2019 BDT	2018 BDT
19 Security deposit of customers and contractors (non-cash)		
Opening balance	2,268,570,857	2,023,770,138
<u>Add: Addition during the year</u>	<u>270,890,144</u>	<u>251,563,973</u>
	2,539,461,001	2,275,334,111
<u>Less: Refund during the year</u>	<u>436,807</u>	<u>6,763,254</u>
Closing balance	<u><u>2,539,024,194</u></u>	<u><u>2,268,570,857</u></u>
20 Inventories		
Stores and spares	273,836,341	292,153,626
Goods-in-transit (foreign)	11,409,915	6,492,621
Goods-in-transit (local)	-	64,350
	<u><u>285,246,256</u></u>	<u><u>298,710,717</u></u>
21 Advances, deposits and prepayments		
Corporate income tax (note 21.1)	5,115,223,234	4,530,970,733
Advances (note 21.2)	126,088,624	79,999,467
Deposits with PDB (note 21.3)	427,545	427,545
Deposits with Telephone and Telegraph Board (note 21.4)	39,238	39,238
Office rent	177,667	177,667
Prepaid insurance premium	2,079,529	2,064,550
Deposit to BOC	32,000	32,000
Deposit to RPGCL	35,175	35,175
	<u><u>5,244,103,012</u></u>	<u><u>4,613,746,375</u></u>
21.1 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 - 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	567,877,349
Financial year - 2018-2019	584,252,501	-
	<u><u>5,115,223,234</u></u>	<u><u>4,530,970,733</u></u>
21.2 Advances		
Advance against procurement and others	100,350	417,053
Advance against incentive bonus & others	125,988,274	79,582,414
	<u><u>126,088,624</u></u>	<u><u>79,999,467</u></u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
21.3 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
	<u>427,545</u>	<u>427,545</u>
21.4 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
	<u>39,238</u>	<u>39,238</u>
22 Trade receivable		
Power (PDB)-govt.	1,492,257,757	1,125,184,928
Power (PDB)-non-govt.	576,872,318	608,537,509
Industry-Chhatak Cement Factory	260,954,050	252,200,202
Industry-others	193,543,801	161,712,962
Tea estate	25,660,553	18,644,669
Brick fields	1,792,672	1,792,672
Commercial	292,711,377	79,648,137
Domestic	414,778,008	354,747,124
Lafarge Surma Cement	216,929,468	207,395,715
CNG	460,620,511	438,560,983
Shahjalal Fertilizer Factory	148,249,393	620,197,766
Captive power	188,600,991	180,817,108
	<u>4,272,970,899</u>	<u>4,049,439,775</u>
23 Other receivable		
Lafarge Surma Cement against TPQ, Higher heating value & Lower tan	714,115,172	677,575,202
Dearness allowance	112,655	173,006
Adjustment for legal fee	976,650	976,650
Others	4,226,363	7,513,666
	<u>719,430,840</u>	<u>686,238,524</u>

* The overtime was paid (against D.A.) 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.



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
24 Other current assets		
Accrual FDR interest during the year	249,994,114	183,975,980
	<u>249,994,114</u>	<u>183,975,980</u>
25 Cash and cash equivalents		
Cash in hand	332,228,059	247,640,213
Cash at bank (STD and C/A)	<u>332,228,059</u>	<u>247,640,213</u>
26 Gas purchase/ Production charges		
Opening balance	3,707,270,713	2,817,576,001
<u>Add:</u> Addition during the year	7,582,377,919	13,264,166,977
Adjustment with BGFL and PDF	-	274,608,551
<u>Less:</u> Paid during the year	11,289,648,632	16,356,351,529
Closing balance	<u>9,337,295,009</u>	<u>12,649,080,816</u>
	<u>1,952,353,623</u>	<u>3,707,270,713</u>
Company wise break-up is as follows:		
Sylhet Gas Fields Ltd.	242,669,464	475,767,992
Bangladesh Gas Fields Co. Ltd.	175,538,080	497,130,381
IOC	<u>1,534,146,079</u>	<u>2,734,372,340</u>
	<u>1,952,353,623</u>	<u>3,707,270,713</u>
This represents amount payable to gas producing companies against their shares of margin		
27 LNG Charges		
Opening balance	6,262,235,168	-
<u>Add:</u> Addition during the year	<u>6,262,235,168</u>	-
<u>Less:</u> Paid during the year	4,812,974,986	-
Closing balance	<u>1,449,260,182</u>	-
28 Gas development Fund		
Opening balance	68,046,837	95,479,444
<u>Add:</u> Payable for the year	<u>1,050,800,018</u>	<u>378,046,838</u>
<u>Less:</u> Paid during the year	1,118,846,855	473,526,282
Closing balance	<u>799,257,750</u>	<u>405,479,445</u>
	<u>319,589,105</u>	<u>68,046,837</u>
29 Energy security fund		
Opening balance	1,022,038,374	3,070,514,566
Add Net interest	-	155,217,883
<u>Add:</u> Payable for the year	<u>1,095,620,746</u>	<u>1,736,305,925</u>
<u>Less:</u> Paid during the year	2,117,659,120	4,962,038,374
Closing balance	<u>1,889,190,238</u>	<u>3,940,000,000</u>
	<u>228,468,882</u>	<u>1,022,038,374</u>
30 Gas transmission charges		
Opening balance	38,799,083	39,832,342
<u>Add:</u> Payable for the year	<u>779,017,298</u>	<u>229,692,613</u>
<u>Less:</u> Paid during the year	817,816,381	269,524,955
Closing balance	<u>629,040,718</u>	<u>230,725,872</u>
	<u>188,775,663</u>	<u>38,799,083</u>
31 Vat for gas development fund		
Opening balance	-	-
<u>Add:</u> Payable for the year	<u>84,951,754</u>	-
<u>Less:</u> Paid during the year	47,917,763	-
Closing balance	<u>37,033,991</u>	-



Jalalabad Gas Transmission and Distribution System Limited
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 For the year ended 30 June 2019

	2019 BDT	2018 BDT
32 Value added tax		
Opening balance	1,111,349,320	-
<u>Add:</u> Payable for the year	<u>1,111,349,320</u>	<u>-</u>
<u>Less:</u> Paid during the year	<u>623,587,583</u>	<u>-</u>
Closing balance	<u><u>487,761,737</u></u>	<u><u>-</u></u>
33 BAPEX margin		
Opening balance	35,455,664	12,164,972
<u>Add:</u> Payable for the year	<u>15,018,989</u>	<u>65,455,663</u>
Transfer from DWM	-	1,514,754
<u>Less:</u> Paid during the year	<u>50,474,653</u>	<u>79,135,389</u>
Closing balance	<u><u>50,474,653</u></u>	<u><u>43,679,725</u></u>
	<u><u>-</u></u>	<u><u>35,455,664</u></u>
34 Deficit wellhead margin for BAPEX		
Opening balance	35,735,907	17,832,707
<u>Add:</u> Payable for the year	<u>14,427,403</u>	<u>65,735,908</u>
<u>Less:</u> Paid during the year	<u>50,163,310</u>	<u>83,568,615</u>
Transfer to BAPEX Margin	50,163,310	46,317,954
Closing balance	<u><u>-</u></u>	<u><u>1,514,754</u></u>
	<u><u>-</u></u>	<u><u>35,735,907</u></u>
35 Price deficit fund charges		
Opening balance	156,492,081	261,880,858
<u>Add:</u> Payable for the year	<u>189,874,451</u>	<u>881,100,630</u>
<u>Less:</u> Paid during the year	<u>346,366,532</u>	<u>1,142,981,488</u>
Transfer to BAPEX	346,366,532	711,880,856
Closing balance	<u><u>-</u></u>	<u><u>274,608,551</u></u>
	<u><u>-</u></u>	<u><u>156,492,081</u></u>
36 Support for short fall		
Opening balance	302,367,845	222,003,890
<u>Add:</u> Payable for the year	<u>250,342,090</u>	<u>1,177,109,567</u>
<u>Less:</u> Paid during the year	<u>552,709,935</u>	<u>1,399,113,457</u>
Closing balance	<u><u>-</u></u>	<u><u>1,096,745,612</u></u>
	<u><u>-</u></u>	<u><u>302,367,845</u></u>
37 Group current accounts		
Petrobangla current account	58,449,372	60,337,218
Titas Gas Transmission and Distribution Co. Ltd	3,970,819	4,635,300
BAPEX current account	102,194	102,194
Madhapara Granite Mining Co. Ltd	(23,657)	(23,657)
Bakhrabad Gas Distribution Co. Ltd	(14,764,130)	(2,250,187)
Gas Transmission Co. Ltd (GTCL)	(482,347)	(409,779)
RPGCL current account	665,225	524,899
SGFL current account	697,016	438,776
PGCL current account	(1,727,743)	(1,727,743)
Barapukuria Coal Mining Co. Ltd	71,820	71,820
Sundarban Gas Company Ltd	85,495,590	24,047,325
Joypurhat Lime Stone	9,547	9,547
Karnaphuli Gas Distribution Co. Ltd	(3,005,399)	66,265
	<u><u>129,458,307</u></u>	<u><u>85,821,978</u></u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
38 Creditors and accruals		
Creditors for expenses	191,224,978	399,368,196
Creditors for other finance	399,842,814	248,779,345
Security deposit (cash)	30,987,590	22,416,375
	622,055,382	670,563,916
39 Long term loan-current portion		
Opening balance	49,081,000	47,591,000
<u>Add:</u> Transfer from loan account	49,048,000	49,048,000
	98,129,000	96,639,000
<u>Less:</u> Paid during the year	49,048,000	47,558,000
Closing balance	49,081,000	49,081,000
Projects:		
Gas Supply to Sylhet Combine Cycle Shahjalal Factory	9,866,000	9,866,000
Gas Transmission Net work Upgradation Project	39,215,000	39,215,000
	49,081,000	49,081,000
40 Workers' profit participation fund		
Opening balance	56,322,396	35,146,973
<u>Add:</u> Payable for the year	111,429,290	97,295,985
	167,751,686	132,442,958
<u>Less:</u> Paid during the year	95,535,985	76,120,562
Closing balance	72,215,701	56,322,396
41 Provision for doubtful debts		
Opening balance	17,883,246	15,878,253
<u>Add:</u> Addition during the year	9,147,749	2,004,993
	27,030,995	17,883,246
<u>Less:</u> Adjustment during the year	-	-
Closing balance	27,030,995	17,883,246
Provision for doubtful debts has been made @ 3% on non-bulk customers as per Board resolution.		
42 Provision for income tax		
Opening balance	4,560,692,516	3,913,674,215
<u>Add:</u> Provision during the year	741,004,781	647,018,301
	5,301,697,297	4,560,692,516
<u>Less:</u> Payment /adjustment during the year	-	-
Closing balance	5,301,697,297	4,560,692,516
43 Gas sales	2019	2018
	Volume (CM)	BDT
Power (PDB)-Govt.	1,493,507,564	4,719,483,905
Power Non-Govt.	1,081,413,693	3,417,267,275
Industry - CCF	9,633,121	72,525,572
Industry - Others	122,967,783	956,115,696
Tea estate	28,028,430	207,970,937
Commercial	32,278,319	550,022,558
Domestic	232,541,725	2,116,129,700
Lafarge Surma Cement Company Ltd	118,725,667	921,652,936
Shahjalal Fertilizer Company Ltd	337,996,456	915,970,387
CNG	134,719,374	4,311,019,977
Captive power- industries generator	203,253,185	1,955,295,629
	3,795,065,317	20,143,454,572
	3,405,465,892	19,045,642,108



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
44 Other operational income		
Minimum charges	342,916,407	456,194,187
Surcharge for late payment	46,995,620	42,649,148
Meter rent	11,495,837	11,324,378
Connection charge	4,609,536	4,057,489
Heating charge	533,974,919	762,508,205
	<u>939,992,319</u>	<u>1,276,733,407</u>

45 Gas purchases/Production charges

Name of the Companies	Wellhead Margin		
Sylhet Gas Fields Ltd	147,828,432	147,828,432	1,922,712,343
Bangladesh Gas Fields Company	431,529,776	431,529,776	2,048,513,651
IOC (Details below) :			
Jalalabad Gas Field (IOC)	2,394,443,476	2,394,443,476	5,718,158,362
Bibiana Gas Field (IOC)	1,688,002,040	1,688,002,040	3,035,827,249
National Gas fields (IOC)	1,192,372,332	1,192,372,332	-
Petrobangla Margin against SFF	163,388,303	163,388,303	538,955,372
	<u>6,017,564,359</u>	<u>6,017,564,359</u>	<u>13,264,166,977</u>

46 LNG Charges

This represents contribution to Purchase LNG Gas with effect from 18 september 2018

Type of user:			
Power (PDB)	2,182,147,387	-	-
Fertilizer	264,341,236	-	-
Industries	636,745,127	-	-
Tea estate	55,359,436	-	-
Commercial	201,932,350	-	-
Domestic	726,107,910	-	-
CNG	1,528,557,608	-	-
Captive power - industries generator	667,044,114	-	-
	<u>6,262,235,168</u>	<u>6,262,235,168</u>	<u>6,262,235,168</u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to the Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
47 Gas development fund		
Type of user		
Power (PDB)	345,150,713	82,995,314
Fertilizer	84,525,193	18,307,460
Industries	104,594,148	34,304,754
Tea estate	1,031,704	4,175,861
Commercial	26,999,593	5,148,552
Domestic	88,737,790	26,396,196
CNG	338,591,685	187,014,545
Captive power - industries generator	61,169,192	19,704,156
	<u>1,050,800,018</u>	<u>378,046,838</u>
48 Energy security fund contribution		
Type of user		
Power (PDB)	189,571,973	275,519,382
Fertilizer	10,124,704	17,653,318
Industries	188,747,475	328,603,617
Tea estate	20,077,155	29,813,513
Commercial	48,158,480	52,022,946
Domestic	202,788,360	343,312,493
CNG	155,486,636	254,995,459
Captive power - industries generator	280,665,963	434,385,197
	<u>1,095,620,746</u>	<u>1,736,305,925</u>
49 Gas transmission charges		
Name of the Company		
Gas Transmission Company Limited (GTCL)	616,670,144	227,905,704
Petrobangla against IOC transmission charges	159,129,781	-
Titas Gas Transmission and Distribution Company Ltd.	3,217,373	1,786,909
	<u>779,017,298</u>	<u>229,692,613</u>
50 VAT for gas development fund		
Sylhet Gas fields Ltd (SGFL)	26,447,087	-
Bangladesh gas fields co Ltd	41,806,339	-
IOC gas fields	103,799,042	-
	<u>172,052,468</u>	<u>-</u>
51 Value added tax (VAT)		
Sylhet Gas fields Ltd (SGFL)	782,412,072	-
Bangladesh gas fields co Ltd (BGFCI)	734,901,583	-
IOC gas fields	1,071,748,511	-
	<u>2,589,062,166</u>	<u>-</u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
52 Bapex margin		
Power (PDB)	10,118,793	42,380,587
Industries	1,150,258	5,818,474
Tea estate	208,652	708,273
Commercial	126,140	442,886
Domestic	1,003,277	4,905,216
CNG	1,353,662	6,501,770
Captive power - industries generator	1,058,207	4,698,457
	<u>15,018,989</u>	<u>65,455,663</u>
53 Deficit wellhead margin for BAPEX		
Power (PDB)	8,432,328	35,317,155
Fertilizer	578,427	4,786,264
Industries	958,548	4,848,728
Tea estate	173,876	590,228
Commercial	105,116	369,072
Domestic	836,064	4,087,680
CNG	2,461,204	11,821,400
Captive power - industries generator	881,839	3,915,381
	<u>14,427,403</u>	<u>65,735,908</u>
54 Price deficit fund charges		
Power (PDB)	65,056,951	271,209,437
Fertilizer	3,822,860	31,560,084
Industries	17,700,733	90,317,818
Tea estate	3,197,932	10,962,657
Commercial	3,417,760	12,000,619
Domestic	14,316,644	70,614,330
CNG	72,696,751	351,198,643
Captive power- industries generator	9,664,820	43,237,042
	<u>189,874,451</u>	<u>881,100,630</u>



Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019	2018
	BDT	BDT
55 Support For Short fall		
Power (PDB)	71,674,785	318,995,717
Fertilizer	1,879,888	15,555,359
Industries	24,442,983	123,642,575
Tea estate	4,216,502	14,313,023
Commercial	14,926,534	52,408,196
Domestic	43,893,377	233,325,194
CNG	61,530,100	295,534,995
Captive power- industries generator	27,777,921	123,334,508
	<u>250,342,090</u>	<u>1,177,109,567</u>

56 Operating expense

Direct costs:

Employee cost (note 56.1)	676,256,173	752,358,194
Repair and maintenance (note 56.2)	42,630,748	41,475,187
Security expense	59,914,598	54,998,560
Other direct cost (note 56.3)	<u>198,635,453</u>	<u>129,762,099</u>
Administrative costs (note 56.4)	<u>977,436,972</u>	<u>978,594,040</u>
	<u>6,725,654</u>	<u>7,177,171</u>
	<u>984,162,626</u>	<u>985,771,211</u>



Jalalabad Gas Transmission and Distribution System Limited
Notes to the Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
56.1 Employee cost		
Officers' salary	158,967,348	144,156,131
Staff salary	60,228,634	60,686,945
Educational allowance	3,549,041	3,484,888
Overtime	35,267,505	41,491,100
House rent allowance	81,724,808	78,958,485
Gratuity	198,990	88,220
Leave pay	15,991,204	28,192,281
Festival bonus	33,682,202	34,239,851
Incentive bonus	34,267,268	33,768,641
Bangla Noboborsho Bonus	3,306,194	3,273,296
Liveries and uniform	16,914,135	9,708,450
Recreation allowance	16,456,803	15,985,020
Company's contribution to provident fund	49,418	25,740
Gas subsidy	4,860,587	5,089,680
Medical allowance	9,175,355	9,759,990
Lunch subsidy-staff	3,448,410	3,899,070
Lunch subsidy-officers	3,955,768	4,034,455
Medical expenses	1,659,808	1,228,337
Welfare expenses	3,712,057	3,492,112
Group insurance	4,966,771	5,010,773
Washing allowance	874,116	917,378
Conveyance allowance	1,009,946	755,436
Pension fund	161,779,268	257,492,216
Honorarium	19,850,167	2,449,200
Others	360,368	4,170,499
	<u>676,256,173</u>	<u>752,358,194</u>
56.2 Repair and maintenance		
Vehicles	4,577,312	5,106,552
Plant and pipeline machinery	24,570,940	20,075,773
Building	12,803,182	15,815,347
Furniture, fixtures and office equipment	679,314	477,515
	<u>42,630,748</u>	<u>41,475,187</u>
56.3 Other direct costs		
Travelling and conveyance	8,909,844	7,996,862
Telephone and telex	4,698,623	4,199,242
Fuel, oil and lubricants	7,703,489	7,983,896
Electricity	4,869,625	6,456,394
Transport hire	18,991,391	16,997,184
Office rent	3,740,988	3,555,726
Municipal tax and land revenue	12,941,291	7,930,899
Insurance	2,241,877	1,901,544
Training expenses	24,985,856	33,062,572
Wages of workers (casual labour)	24,996,536	19,947,686
Entertainment expenses	3,489,619	2,953,547
Electric accessories	1,135,082	1,419,150
Bank charges	5,094,474	2,498,795
Legal fees	3,145,650	4,462,450
Consultancy fees	58,532,417	536,980
Entertainment allowance	247,332	200,816
Donation and subscription	1,391,427	1,697,216
Directors' honorarium	1,030,870	792,600
Audit fees	172,200	252,420
Crockeries and cutleries	100,266	96,080
Domestic use of gas	51,877	124,397
Residential furnishing	110,320	98,512
Others-CSR	10,054,398	4,597,131
	<u>198,635,453</u>	<u>129,762,099</u>



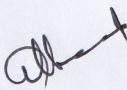
Jalalabad Gas Transmission and Distribution System Limited

Notes to Financial Statements
For the year ended 30 June 2019

	2019 BDT	2018 BDT
56.4 Administrative costs		
Office, stationery and printing	3,772,582	3,995,518
Advertisement	2,488,830	2,497,281
Newspaper and periodicals	464,242	684,372
	<u>6,725,654</u>	<u>7,177,171</u>
57 Petrobangla actual cost recovery	<u>32,531,000</u>	<u>49,748,000</u>
The above amount represents contribution to Petrobangla as part of head office expenses.		
58 Non-operational income		
Sale of tender schedule	152,500	109,400
Suppliers' registration fees	1,357,800	95,000
Sale of pipeline materials (customer finance)	33,270,656	25,601,951
Consultancy / Supervision fee	45,089,769	-
Sale of gas bill books	110,620	94,269
Other rental income	8,618,318	5,442,326
Penalty	6,065,646	2,224,991
Miscellaneous income	5,547,343	2,089,698
	<u>100,212,652</u>	<u>35,657,635</u>
59 Finance income		
Interest on FDR accounts	626,342,492	542,484,680
Interest on STD accounts	60,436,072	65,912,255
Interest on employee loan	20,676,320	17,944,825
Interest on inter-company loan	3,116,294	3,475,324
	<u>710,571,178</u>	<u>629,817,084</u>
60 Finance expense		
This represents interest on local ADP loan which is made up as follows :		
Sylhet Combined Cycle Power Station and Shahjalal Fertilizer Factory	1,207,000	1,602,000
Sylhet Gas Transmission Network Upgradation Project	15,295,000	16,825,000
	<u>16,502,000</u>	<u>18,427,000</u>
61 Provision for contribution to workers' profit participation fund	<u>111,429,290</u>	<u>97,295,985</u>
(Details are given in note 2.11)		
62 Income tax expense	<u>741,004,781</u>	<u>647,018,301</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 2019



Jalalabad Gas Transmission and Distribution System Limited
 Details of property, plant and equipment
 For the year ended 30 June 2019

Annexure- A

Category of asset	Cost				Depreciation				
	At 01 July 2018	Addition during the year	Adjustment during the year	Total at 30 June 2019	Rate %	To 01 July 2018	Charge for the year	Transferred to depreciation fund for the year	Cost value at 30 June 2019
Freehold land	203,213,654	-	-	203,213,654	-	-	-	-	203,213,654
Land infrastructure	12,967,858	249,125	-	13,216,983	5	-	428,472	428,472	13,216,983
Concrete and bricks	440,793,377	63,574,471	-	504,367,848	2.5	-	11,234,822	11,234,822	504,367,848
Sheds and temporary structure	15,186,085	-	-	15,186,085	10	-	763,500	763,500	15,186,085
Walls and store yards	49,474,928	-	-	49,474,928	5	-	1,918,352	1,918,352	49,474,928
Furniture and fixtures	41,731,599	2,443,484	-	44,175,083	10	-	1,601,187	1,601,187	44,175,083
Domestic appliance	4,804,603	-	-	4,804,603	15	-	105,898	105,898	4,804,603
Office equipment	48,390,246	3,083,216	-	51,473,462	15	-	1,320,688	1,320,688	51,473,462
Other equipment	107,868,865	41,831	-	107,910,696	15	-	197,002	197,002	107,910,696
Transmission lines	403,487,307	-	-	403,487,307	3.33	-	8,664,056	8,664,056	403,487,307
Distribution lines	3,043,019,870	10,590,296	-	3,053,610,166	5	-	130,213,840	130,213,840	3,053,610,166
Transmission and distribution plants	527,515,176	-	-	527,515,176	5	-	20,839,028	20,839,028	527,515,176
Tube wells and ponds	16,385,693	-	-	16,385,693	10	-	601,933	601,933	16,385,693
Light vehicle	135,357,953	23,618,300	-	158,976,253	20	-	9,397,605	9,397,605	158,976,253
Water pipe lines and tanks	1,338,792	-	-	1,338,792	10	-	-	-	1,338,792
Loose tools	609,370	-	-	609,370	25	-	-	-	609,370
Total at 30 June 2019	5,052,145,376	103,600,723	-	5,155,746,099			187,286,383	187,286,383	5,155,746,099
Total at 30 June 2018	5,007,692,731	44,452,645	-	5,052,145,376			2,516,860,601	188,365,207	2,800,508,403
									5,052,145,376



Key Performance Indicator
For the year ended 30 June 2019

(BDT in lac)

SI no	Particulars		2019 BDT	Ratio	2018 Ratio	Standard Ratio
1	Current ratio:	<u>Current assets</u> Current liabilities	<u>111,040</u> 108,648	1.02:1	0.93:1	2:1
2	Quick ratio:	<u>Quick assets</u> Current liabilities	<u>46,052</u> 108,648	0.42:1	0.46:1	1:1
3	Return on total sales revenue :	<u>Net profit before tax X 100</u> Total sales revenue	<u>21,171x100</u> 201,434	10.51%	9.10%	10%-20%
4	Rate of return on capital employed:	<u>Net profit before Tax X 100</u> Capital employed	<u>21,171x100</u> 165,818	12.76%	12.07%	15%-20%
5	Debt-equity ratio:	<u>Long term loan</u> Capital and reserves	<u>5,718x100</u> 94,086	6:94	7:93	70:30
6	Rate of return on average net fixed assets(ROR):					
		<u>Net profit before tax+ interest cost X 100</u> Average fixed assets	<u>(21,171+165)x100</u> 51,039	41.80%	49.50%	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>13,761+165+1872</u> 165+490	24.12 Times	20.87 Times	Not less than 1-2 times
8	Sales per employee:	<u>Total sales revenue</u> Average no. of employee	<u>201,434</u> 491	410.25	393.08	-
9	Debtors in month :	<u>Debtors for gas sales</u> Average 3 - month gas sales	<u>42,729</u> 50,358	0.85:1.00	0.99:1.00	1:1
10	Net profit before tax per employee:	<u>Net profit before Tax</u> Average no. of employee	<u>21,171</u> 491	43.12	35.76	-
11	Operating profit ratio:	<u>Operating profit X 100</u> Sales	<u>14,343x100</u> 201,434	7.12%	6.82%	-



Statement of Budget Variance Analysis
For the year 2018-2019

Sl. no.	Description	Actual	Budget	Actual	(BDT in lac)
		2018	2019	2019	Variance
		BDT	BDT	BDT	BDT
		1	2	3	4 = 2-3
Cash expenses (A)					
1	Pay of officer	1,441.56	1,601.50	1,589.67	11.83
2	Pay of staff	606.87	687.50	602.29	85.21
3	Education allowance	34.84	39.50	35.49	4.01
4	House rent allowance	789.58	925.00	817.25	107.75
5	Festival bonus	342.39	375.00	336.82	38.18
6	Incentive bonus	337.68	372.00	342.67	29.33
7	Medical allowance	97.60	103.50	91.75	11.75
8	Medical expenses	12.28	21.00	16.60	4.40
9	Lunch subsidy staff	38.99	41.00	34.48	6.52
10	Conveyance allowance	7.55	10.50	10.10	0.40
11	Overtime allowance	414.91	360.00	352.68	7.32
12	Liveries and uniforms	97.08	185.00	169.14	15.86
13	Washing allowances	9.17	11.00	8.74	2.26
14	Welfare expenses	34.92	38.00	37.12	0.88
15	Leave pay	281.92	160.50	159.91	0.59
16	Gratuity	0.88	2.00	1.99	0.01
17	Contribution to pension fund	2,574.92	1,620.00	1,617.79	2.21
18	Recreation allowance(LFA)	159.85	185.00	164.57	20.43
19	Lunch subsidy(officer)	40.34	43.51	39.56	3.95
20	Group insurance	50.11	58.00	49.67	8.33
21	Contribution to providend fund	0.25	0.50	0.49	0.01
22	Gas allowance	50.89	52.50	48.60	3.90
23	Honorarium	24.49	200.00	198.50	1.50
24	Bangla nobabarsho bonus	32.74	37.50	33.06	4.44
25	Printing and stationery	39.95	42.00	37.73	4.27
26	Postage,telephone,fax, telex.	41.99	47.00	46.99	0.01
27	Electricity expenses	64.56	70.00	48.70	21.30
28	Electric accessories	14.19	15.00	11.35	3.65
29	Travelling expenses	79.96	90.00	89.10	0.90
30	Office rent	35.55	45.00	37.41	7.59
31	Entertainment expenses	29.53	35.00	34.90	0.10
32	Training expenses	330.62	250.00	249.86	0.14
33	Legal fees	44.63	50.00	31.46	18.54
34	Consultancy fees	5.36	31.00	585.32	(275.32)
35	Insurance expenses	19.03	30.00	22.42	7.58
	Sub total	8,187.18	8,114.01	7,954.18	159.83



Statement of Budget Variance Analysis
For the year 2018-2019

Sl. No.	Description	Actual 2018	Budget 2019	(BDT in lac)	
				Actual 2019	Variance
36	Director Honorarium	7.94	13.00	10.31	2.69
37	Audit fees	2.52	3.00	1.72	1.28
38	Bank charges	24.98	26.00	50.94	(24.94)
39	Books and periodicals	6.86	8.00	4.65	3.35
40	Corporation overhead	497.50	125.00	325.31	(200.31)
41	Rent rate and taxes	79.30	110.00	129.41	(19.41)
42	Petrol, oil and lubricant	79.87	80.00	77.03	2.97
43	Transport rent	169.98	190.00	189.91	0.09
44	Repair and maintenance of vehicles	51.09	50.00	45.77	4.23
45	Repair and maintenance of plant and machinery.	200.75	250.00	245.71	4.29
46	Repair and maintenance of building, etc.	158.15	400.00	128.03	271.97
47	Repair and maintenance of furniture and fixture	4.78	7.00	6.79	0.21
48	Donation and subscription	16.97	15.00	13.92	1.08
49	Advertisement	24.98	25.00	24.89	0.11
50	Crockeries and cutleries	0.96	1.25	1.00	0.25
51	Gas bill for resthouse & others - own use	1.25	1.50	0.52	0.98
52	Residential furnishing	0.99	1.25	1.11	0.14
53	Entertainment allowance	2.00	2.50	2.47	0.03
54	Wages of irregular workers	199.49	250.00	249.97	0.03
55	Safety and security expenses	549.98	600.00	599.14	0.86
56	Others with CSR	87.68	115.00	104.15	10.85
Sub total		2,168.02	2,273.50	2,212.75	60.75
Grand total (A)		10,355.20	10,387.51	10,166.93	220.58
Non cash expenses (B)					
57	Depreciation	1,883.64	1,950.00	1,872.87	77.13
58	Bad and doubtful debts	20.05	47.00	91.47	(44.47)
Sub total		1,903.69	1,997.00	1,964.34	32.66
Grand total (A+B)		12,258.89	12,384.51	12,131.27	253.24

