

Titas Gas Transmission and Distribution Company Limited

37th Annual General Meeting

Report of the Board of Directors to the Shareholders

Bismillahir Rahmanir Rahim

Respected Shareholders,,

Assalamu Alaikum,

Hearty welcome to all of you in the 37th Annual General Meeting of Titas Gas Transmission and Distribution Company Limited (TGTDCL). I would like to take this opportunity to present before you the Report of the Board of Directors including Audited Financial Report of Titas Gas Transmission and Distribution Company Limited for the Year ended June 30, 2018.

Respected Shareholders,

The discovery of a huge gas field on the bank of the Titas River in Bhramanbaria in 1962 created a new horizon for the utilization of natural gas. Titas Gas Transmission and Distribution Company Limited (TGTDCL) established on 20 November 1964. The company began its commercial operation with the commissioning of gas supply to Siddhirganj Thermal Power Station on April 28, 1968 after construction of 14 inch dia 58 mile long Titas-Demra gas pipeline by the then East Pakistan Industrial Development Corporation. In October 1968, first domestic natural gas connection was provided to the residence of renowned litterateur Shawkat Osman. As a progressive national organization, it has earned the glory of being a trustworthy one for the people by means of the quality of service delivery. This has been possible because of the relentless and cordial endeavours of its officials and employees.

Titas Gas is playing a significant role to strengthen the socio-economic condition of a developing country like Bangladesh, even pioneering in saving foreign currency by ensuring expected use of natural gas. As a leader among gas distribution companies, contribution of Titas Gas to the Bangladesh Economy is as evident as its eternal flame to the total economy of the country.

At the beginning 90% of its shares belonged to the then Pakistan Government and Pakistan Shell Oil Company owned the rest. Under the Nationalization Order of 1972, all the Government owned shares of the company were vested in the Government of Bangladesh (GOB). In accordance with an agreement signed between Shell Oil Company and GOB on August 9, 1975, the ownership of the remains 10% shares was transferred to the GOB through Petrobangla in exchange for a lump-sum payment of 1,00,000. After the independence of Bangladesh in 1971, the company started its journey as a company of Petrobangla with the authorized and paid up capital of Tk.1.78 crore. At present, the authorized and the paid up capital of the company are Tk. 2,000.00 and Tk. 989.22 crore respectively.

Main objective of the company is to supply natural gas to customers of different categories under Titas Franchise Area, thereby reducing dependency on imported liquid fuel. Towards this end, the company has to construct, operate and maintain pipelines, stations and associated facilities. Currently the company distributes gas in the districts of Dhaka, Narayanganj, Narsingdi, Munshiganj, Manikganj, Gazipur, Tangail, Mymensingh, Jamalpur, Sherpur, Netrokona, and Kishoreganj.



Respected Shareholders,

I have already mentioned that the company began its commercial operation with the supply of gas to Siddhirganj Thermal Power Station in 1968. Since then the company's activities have expanded largely over the last five decades and the company has so far ensured uninterrupted supply of gas to cater for its customer's demand. But recently customer services have been hampered to some extent because of low pressure problems prevailing in some parts of Titas Franchise Area (TFA), which is caused by shortage of gas supply. Presently, company's total length of pipeline is 13,074.78 km including 18.37 km built during the FY 2017-18. The number of total customers of the company stood at 27, 83,134 on 30 June 2018.

Growth of customers over the last five years is presented below:

Customer Category	Number of Customer				
	2013-14	2014-15	2015-16	2016-17	2017-18
Power	34	35	38	43	44
Fertilizer	3	3	3	3	3
Industrial	4,583	4,590	4,604	4,610	5,128
Captive Power	1,068	1,080	1,085	1,088	1,630
CNG	330	331	333	335	382
Commercial	10,912	10,913	10,917	10,919	11,688
Domestic	17,05,770	18,80,353	20,06,013	27,17,536	27,64,247
Total	17,22,712*	18,97,317*	20,23,005*	27,34,534*	27,83,134*

*Including 12 seasonal customers

Development Activities and Projects

Respected Shareholders,

Now, I would like to present before you a brief description of the development activities of the company:

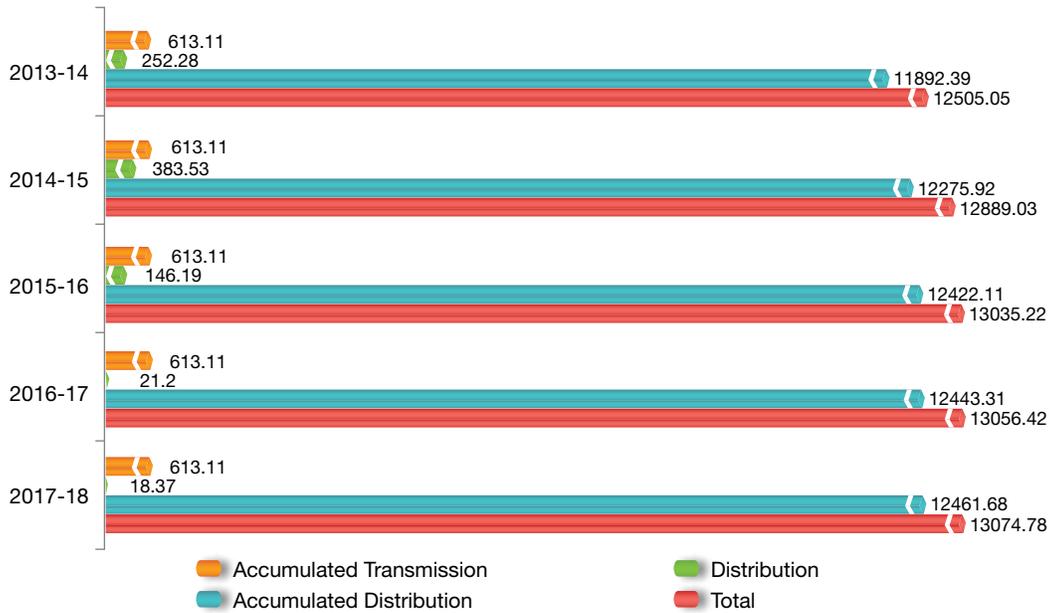
Development Programme:

The company has expanded its network through installation of new pipelines. The length of pipeline under TGTDCCL stood at 13,074.78 km including newly constructed 18.37 km pipeline during the fiscal year 2017-18 as a part of network expansion, service connections and pipeline modification/up-gradation activities.



A statistics of Company's pipeline status over last five years is furnished below:

Pipeline Construction (In Km)



Completed Development Activities and Projects

System Loss Reduction Program:

The directives of the administrative authority and sincere efforts of Titas Gas T&D Co. Ltd.'s management have resulted significant success in the system loss reduction activities. Under the activities, special inspection and disconnection program conducted by Vigilance Division regularly to detect illegal gas connection and take immediate action; regularized illegal burner as previously declared and run mobile court program to disconnect illegal gas pipeline and connection. At the same time, to reduce gas leakage at customer RMS/Riser, gas leakage detected and repaired under Clean Development Mechanism (CDM) project. As a result, purchase and sales difference or total system loss improved from previous fiscal year and stood at 191.42 MMCM and 1.12% in 2017-2018.

Information on system loss/gain of the company from 2013-14 to 2017-18 is given below:

Financial year	Difference between Purchase and Sales (Total System Loss/Gain)	
	In Volume (MMCM)	In Percentage (%)
2013-14	47.09	0.32
2014-15	624.62	3.89
2015-16	479.22*	2.81*
2016-17	214.42	1.35
2017-18	191.42**	1.12**

*Revised

** In the FY2017-18, gas consumption in the company's own use head has been considered in the calculation of system loss.



Distribution Network Rehabilitation and Modification:

Modification/Rehabilitation/Replacement/Relocation of different diameters pipeline have been completed within Titas Franchise Area in this fiscal year:

- Construction of 6"Ø ×1000psig×7 km gas pipeline in Rupgonj gas field to Kamta gas field ;
- Replacement of 1"Ø to 4"Ø, 50 PSIG gas pipeline, construction of related service line and shifting/ isolation/tie-in operation of 8"Ø, 50 PSIG leakage gas pipeline to solve low pressure problem at different areas of Dhaka city ;
- Shifting of 144 Valve (with pit) under SASEC (Gazipur-Chandra-Tangail) Project ;
- Rehabilitation of 20"Ø ×140 PSIG gas pipeline in pungli river, Tangail ;
- Shifting of existing 3/4"Ø to 8"Ø ×50psig and 1"Ø to 16"Ø ×150psig gas pipeline from Mipur -10 to Agargaon statistics road and Mirpur-10 to Mirpur-10 & Agargaon statistics road to CP-4 end (Sher-e Bangla Agricultural University) through metro rail route under Dhaka Mass Rapid Transit Development Project (DMRTD) ;
- Relocation of existing gas pipelines along 8 kilometer segment section of Nabinagar-DEPZ-Kaliakoir (Chandra) national highway in front of Sheikh Fazilatunnesa Mujib Memorial KPJ Nursing College and Specialized Hospital;
- The expansion of casing pipe for 16" dia gas pipe line crossing the railway track at Daulatkandi ,Bhairab, and for 6" dia gas pipe line crossing the railway track at Pubail and Mirerbazar, Tongi. The rehabilitation works of 8" dia gas pipe line crossing the railway track along Seorite-Kaliganj Road ; and
- Reconstruction work of 2 nos 16" Dia x 140 PSIG gas pipeline valve at the front side ramp of Purbachal Road bound loop-4 of Kuril flyover.

Civil Works:

Civil works that have been completed in the year 2017-2018:

- Modification of Acoustical Treatment of Auditorium of Titas Gas Adorsha High School at Demra CGS Area;
- Improvement of Internal road including others Work at Gorashal Power Station;
- Construction of Boundary Wall and Land Development Work of Regional Marketing Office at Mymensing (2nd Phase);
- Vertical Extension of Boundary Wall installation of cylindrical barbed wire including other works at RMD, Norsingdi;
- Vertical Extension of Boundary Wall including other works at Dhamrai DRS & Tejgaon TBS;
- Construction of Ansar Shed at Godnail DRS Area;
- Making and installation of wall cabinet at different floor at Head Office Building Kawran Bazar, Dhaka;
- Re-construction of Boundary Wall (front side) and Vertical Extension of Boundary Wall (partly) at Gazipur CGS Area; and
- Re-construction of steel shed and vertical extension of existing boundary wall at Mirpur-10, Dhaka.



Gas supply to the Power Stations:

Gas connections have been commissioned to the following new power stations in the fiscal year 2017-18:

- 335 MW Combined Cycle Power Plant of Electricity Generation Company of Bangladesh Limited (EGCBL), Shiddhirgonj.

Sreepur-Joydebpur CGS gas transmission pipeline construction project:

In 1985, TGTDCCL constructed a 14" Ø 1000 PSIG 24 km transmission line from Ghorashal TBS to Joydebpur for supplying gas to Joydebpur CGS. But in Ashuganj, Narshingdi & Ghorashal area the Gas consumption in Power, Fertilizer, industry and other categories of customers has been increased. Besides, gas consumption in Joydebpur, Mirzapur, Tongi, Savar and adjoining areas under Joydebpur CGS has increased a lot so as to create persistent low pressure problem in these areas. At this backdrop, in order to improve the low pressure scenario, the Company has implemented this own-financed project that involves the construction of 20"Ø 1000 PSIG 30 km Transmission Line from 30"Ø 1000 PSIG valve station at Gararan, Sreepur and installation of a new CGS at Joydebpur enhancing the present capacity of Joydebpur CGS 140 mmcf/d to 300 mmcf/d. This pipeline project being implemented low pressure problem in the abovementioned areas has already been reduced a lot. The available gas pressure at the source point of the constructed pipeline being less than 1000 PSIG, it has not been possible to supply gas at its design capacity 300 mmcf/d. If gas supply at increased pressure or at design pressure 1000 PSIG is possible at the source point, this pipe line will be able to cater for the increased gas demand of these areas.



Commission of 20" Dia X 1000 PSIG X 30 km. Shreepur-Joydebpur Gas Transmission line



Construction of Divisional Office Building of Titas Gas Transmission & Distribution Company Limited at Gazipur.

The Company sells about 350 mmcm natural gas to its valued customers of different categories under the franchise area of Regional Marketing Division and earns monthly revenue of about Tk. 210 crore. At present the region has turned into an industrial hub and the number of customers here is increasing day by day. To provide proper customer service man power of the office had been increased time to time, but office space for the officers and staffs was not increased accordingly. A Building with 7140 sft floor area was constructed 30 years ago adjacent to Joydevpur CGS Compound under Gazipur district. But at the present context it is not possible to perform the enhanced marketing and operational activities, revenue collection and other relevant works satisfactorily in the above mentioned old building. That is why a project of constructing a 4-story new divisional building with 14-story foundation financed by company's own fund have been approved on 19 October 2015 by Energy and Mineral Resources Division of the Govt. According to the approved DPP the Company expects the project to be completed by 30 June 2018. To perform the civil construction work of the Project, work order was awarded to M/S Jamal & Company and Mark Builders (JV) with a value of Tk. 10.99 crore (Taka ten crore ninety nine lac only) on 5 October 2016 and project site was transferred on 10 October 2016 accordingly. The project has been completed successfully on 30 June 2018.

Development Activities and Projects to be Implemented

Distribution Network Rehabilitation Activities:

Replacement/rehabilitation of pipeline under implementation in the fiscal year 2017-2018:

- Replacement of 1"Ø to 4"Ø, 50 PSIG gas pipeline, construction of related service line and shifting/isolation/tie-in operation of 8"Ø, 50 PSIG leakage gas pipeline to solve low pressure problem at different areas of Dhaka city ;
- Shifting of existing 3/4"Ø to 16"Ø distribution pipeline and service line from Agargaon (CP-4) to Kawranbazar Metro-Rail Route under Dhaka Mass Rapid Transit Development Project (DMRTDP);
- Shifting of existing 3/4"Ø to 16"Ø distribution pipeline and service line from Kawran Bazar to Motijhel Metro-Rail Route under Dhaka Mass Rapid Transit Development Project (DMRTDP) ;
- Construction of 12"Ø×140 PSIG×20.32 km gas pipeline from Pangaon to Keranigonj BSCIC ;
- Construction of 12"Ø×140 PSIG×8km gas pipeline from Gazaria TBS to Abdul Monem Economic Zone ;
- Construction, fabrication and modification of Gazaria TBS ;
- Rehabilitation/Replacement/Relocation of different diameters distribution pipeline SASEC (Gazipur-Chandra-Tangail) Project ;
- Shifting of 124 Valve (with pit) under SASEC (Gazipur-Chandra-Tangail) Project ;
- Rehabilitation/Replacement of 2"Ø and 3"Ø×50 PSIG × 360m damaged gas distribution line from Sadar Thana of Mymensingh City turn to Trunkpotri road ;
- Shifting of 3/4"Ø , 1"Ø, 4"Ø ×50 PSIG × 90m gas distribution/service pipeline of North Lakhkha khola area of Bandar Upazilla of Narayanganj ;



- Reconstruction/Shifting of 8" Ø × 50 PSIG × 372m and 3" Ø × 50 PSIG × 336m gas pipeline adjacent area to north side of Gomti bridge ;
- Reconstruction/Shifting of 8" Ø × 50 PSIG × 768m gas pipeline adjacent area to south side of Meghna bridge ;
- Reconstruction/Shifting of 8" Ø × 50 PSIG × 74m, 4" Ø × 50 PSIG × 20m and 2" Ø × 50 PSIG × 56m gas pipeline at the alignment of water main transmission line at Chunkutia, Keraniganj area; and
- Modification of Sonargaon and GTCL Meghnagat TBS.

Civil Works under Implementation:

- Construction of Multipurpose 3-storied Office Building at Demra CGS area ;
- Making and supplying of wooden Furniture of Titas Gas Adarsha Uccha Biddaloy, Demra ;
- Construction of Boundary Wall at Hajaribag DRS ;
- Construction of Dania Office building at Dania, Dhaka (1st Phase) ;
- Construction of 3- storied officers' & staff quarter with 6- storied foundation at Dania, Dhaka;
- Construction of 3-storied Office cum Rest House Building with 5-storied foundation at Elenga, Tangail ;
- Construction of Record cum Store Building at Chinishpur, Norshingdi ;
- Construction of 6 nos of CP room at Kadamtoli DRS, Ghatail & Gopalpur in Tangail, Kishoregonj DRS, Pubail Valve Station and Dhanuya TBS ; and
- Construction of Store shed for Emergency Gas Control Department at Tejgaon TBS Area, Dhaka.

Gas supply to the Power Stations:

- Gas supply to 305 MW dual fuel combined cycle power plant of Summit Meghna Ghat Power Ltd. is now under implementation.

Installation of Pre-paid Gas Meter Project:

The project titled "Installation of Prepaid Gas Meter for TGTDCL" financed by JICA, GOB and TGTDCL under the Natural Gas Efficiency Project (BD-P78) of Japan's 35th ODA loan package, is at implementation stage. Installation of 200,000 (two lakh) domestic prepaid gas meters, in phases, in Gulshan, Banani, Baridhara, Bashundhara, Badda, Tejgaon, Cantonment, Kafrul, Mirpur, Khilkhet, Uttara and adjacent areas of Dhaka Metropolitan City is under process. The total approved cost of the project is Tk. 712.099 crore (JICA 453.106 crore taka, GoB 236.745 crore and TGTDCL Tk.22.28 crore) and project duration is from January 2015 to December 2018.

The main features of the prepayment system are easy payment of gas bill, easy access to information, improved customer service, uninterrupted security and protection in using gas, and conservation of natural gas for future generations by using the latest prepaid cards.

An agreement with Pegasus International (UK) Ltd., a foreign consulting firm, was signed on 7 October 2015 for providing consultancy services to implement the project and the consultants commenced



their work on 19 October 2015. An agreement was signed between TGTDCCL and Engineering, Procurement & Construction (EPC) contractor Toyokeiki Co. Ltd., Japan on 16 March 2017 and the agreement has been effective from 20 March 2017 in accordance with JICA's concurrence. The meter installation program in the customer's premises started from 17 September 2017 and 48 teams have been engaged in installation of meters. Upto June 2018 the pre-paid meters received by the project in 14 lots is 79,920 in number, site surveying has carried out for 94,754 domestic customers and 48,546 pre-paid meters have been installed in the customers' premises. Besides, completing civil works for Data Center and Disaster Recovery Centre, hardware and software have been installed and from 20 June 2018 the commissioning of web system and activation of pre-paid mode for installed pre-paid meters have been accomplished. Later on pre-paid meters will be activated immediately after they have installed in the customers' premises.



A view of contract signing ceremony between UCBL & Titas Gas for providing card recharge facility to Prepaid Metered Customers

An agreement has been signed with United Commercial Bank Limited (UCB) as to the operation of POS (Point of Sales) in a bid to easing card recharge. As per the contract, by means of using ultramodern pre-paid card (NFC=Near Field Communication), the customers will be able to recharge card easily under round the clock service of the designated branch of UCB and Ucash.

Noteworthy that against the RADP of the fiscal year 2017-2018 i.e. BDT14800.00 lac, BDT 14909.13 lac has been disbursed, indicating financial progress of 100.74% . Till date the physical progress of the project is 60%.



“Improvement of Natural Gas Transmission and Distribution Capacities of (TGTDCL)” project:

This project, to be financed by company’s own fund, has been undertaken with a view to enhancing gas supply, improving the low pressure scenario, and promoting industrialization in Savar, Dhamrai, Manikganj, Sataria, Aricha, and adjacent areas under Titas Franchise Area(TFA). This project involves constructions of 20”ØX1000 PSIG X 60.00 KM Transmission Line from Elenga (GTCL Off-take) to Manikganj, construction of 20”ØX300 PSIG X 25.00 KM Distribution Mainline from Manikganj to Dhamrai and installation of Manikganj a new City Gate Station (CGS) at Manikganj a new Town Bordering Station (TBS) at Dhamrai and modification of Narsingdi Valve Station (VS)#12 within TFA. Liquidity Certificate from Monitoring Cell of Finance Division with a view to implementing the project under company’s own fund has been collected and the Route Survey, Initial Environmental Examination (IEE) & Environmental Impact Assessment (EIA) of this project has been completed through outsourcing. At present, according to the recommendation of the Project Evaluation Committee of EMRD for sending the DPP to the planning commission, reconstruction of the DPP is under process.

Clean Development Mechanism (CDM) project:

Under ‘Clean Development Mechanism (CDM)’ project registered at UNFCCC (United Nations Framework Convention on Climate Change) the leakage of natural gas i.e. Green House Gas (GHG) emission from above ground Riser/RMSs. According to project agreement as well as Project Design Document (PDD), TGTDCL (Host party) with the extensive support of NE Climate A/S, Denmark (Investor) has carried out Leak Detection and Repair (LDAR) about 5,65,938 Risers/RMSs in Baseline Study Phase. Among these, about 34,790 no of domestic, 152 no of commercial and 2 no of industrial leaky Riser/RMSs have been repaired, which consequently captured about 8,69,371 CFH or 20.86 MMCFD of natural gas. At present, the rechecking of the repaired Riser/RMSs is going on in order to take subsequent remedial measures on reappeared leakage under this monitoring phase. Re-inception of about 13,54. Repaired Riser/RMSs has already been completed and only 233 reappeared gas leakages have found and repaired till 30 Jun 2018. This reduced leakage of gas would be converted to tCO₂e/CERs for sale for next ten years. Using the gas thus saved by this project in the industrial sector is contributing to GDP growth and the preservation of environment as well as foreign currency earning by means of reducing the emission of GHG.



A view of monitoring work under CDM Project



Future Development Activities and Projects

Respected Shareholders,

I would now like to present before you the projects/activities to be implemented in future for your information:

Distribution Network Rehabilitation Activities:

Existing pipeline shifting/rehabilitation works of company to implement different development projects of Government:

SL No.	Name of the Project/ Work	Location of the Project	Implementation Authority	Present status of the project
01	Shantinagar-Mawa fly-over project	Shantinagar-Mawa	RAJUK	Existing installations of the Company have been shown in the drawings received from the Project Office and estimates for the rehabilitation works and those drawings have been sent to the Project Office.
02	4 lane Development project of Dhaka-Sylhet Highway (kachpur- voirab part)	Narayanganj-Narsingdi	Roads and Highways Department	Letter has been sent asking for detailed drawings, measures will be taken after receiving those.
03	BRT (Airport-Gazipur)	Airport-Gazipur	Dhaka Transport Coordination Authority	Drawings and estimates have been sent to Project Office for pipeline construction
04	BRT-3 (Airport-Keranigonj)	Airport-Mohakhali-Gulistan-Keranigonj	Dhaka Transport coordination Authority	The drawing have been sent to the Project Office indicating the existing Installations of the Company on those drawings. Subject to rehabilitations needs, next steps will be taken.
05	4-Lane Development Project of Dhaka Bypass Road	Joydebpur by-pass Chittagong Road	PPP, RHD	Letter has been sent asking for detailed drawings. Measure will be taken after receiving those.
06	Construction of Underpasses and U-turns (Total 10 nos.) to ease traffic jam	Mirpur, Fakirapul, Shahbag and Science Lab	Dhaka South City Corporation	Letter has been sent asking for detailed drawings. Measure will be taken after receiving these drawings.
07	Dhaka- Khulna Highway(N-8) Development Project	Jatrabari- Mawa	Bangladesh Army	Shifting of pipe line of different diameters located in the project alignment is under process.
08	Common Utility Tunnel	Airport - Farmagate - Shahbag -Matshay Bahaban	Dhaka South City Corporation	Letter has been sent asking for detailed drawings. Measure will be taken after receiving those.



Civil Works and Interior Decoration:

The following development programs have been planned for the fiscal year 2017-2018:

- Construction of Conference hall & Meeting room with other Interior decoration works at 2nd Floor Head office Building Kawran Bazar, Dhaka ;
- Selecting of Consulting firm for Design, Drawing and Estimate of 03 (Three) 16 storied Building at Majar road, Mirpur, Dhaka ;
- Construction of 2 storied control building with 4 storied foundation at Kadamtoli, Shaympur, Dhaka;
- Vertical Extension of Officers & Stuff Quarter at Dania DRS Area;
- Construction of Office Building at savar ;
- Vertical Extension of Office Building at Dania DRS Area;
- Construction of Composite steel Structure central ware house at Demra CGS area ;
- Construction of Office Building at Zonal Marketing Office Valuka ; and
- Construction/Reconstruction/Vertical Extension of Existing boundary wall, Guide wall & improvement, Roads & Walkways, Drainage System, Guard Room, Crew Room and Ansar Shed within Titas Franchise Area.

Gas supply to the Power Stations:

- Contract signing for gas supply to proposed 718 MW Combined Cycle Power Plant Reliance Bangladesh LNG & Power Ltd. is under process.
- Contract signing for gas supply to 583 MW dual fuel Combined Cycle Power Plant of Summit Meghnaghat-2 Power Limited is under process.
- Contract signing for gas supply to 584 MW Combined Cycle Power Plant of Unique Meghnaghat Power Limited is under process.
- Contract signing for gas supply to 73.04 MW Power Plant of MIEZ Power Limited is under process.
- Contract signing for gas supply to 73.04 MW Power Plant of Meghna Economic Zone Power Limited is under process.

Replacement of the Existing Gas Network of TGTDC along Joydevpur- Elenga 4- Lane Highway of SASEC Road Connection Project :

This project, to be financed by company's own fund, has been planned to undertake with a view to relocating the existing distribution lines that have got in the middle of newly constructed 4- Lane Highway from Vogra Bypass to Naojuri, Konabari, Chandra, Kaliakhoir, Mirzapur, Tangail Bypass to Elenga under SASEC connecting road project along Dhaka- Tangail 4- Lane Highway of RHD. There the company's distribution lines have turned risky. At this backdrop, the company is going to undertake this project by its own fund in order to avoid safety risk and complication of maintenance works, facilitate new connection and load enhancement process and thus to ensure stable gas supply and ease customer service delivery. Under this project the existing distribution pipe lines from Joydebpur to Tangail will be replaced by the pipe line to be constructed on both sides of the road. At present, feasibility study of this project with a view to implementing under company's own fund is under process.



Replacement of Existing Gas Network of TGTDCCL along the Joydevpur-Mymensingh 4-Lane Highway:

This project, to be financed by company's own fund, has been planned to undertake with a view to relocating the existing distribution lines that have got in the middle of newly constructed 4 - Lane Highway from Joydebpur to Mymensingh under Joydebpur-Mymensingh Road Improvement Project (JMRIP) of RHD. There the company's distribution lines have turned risky. At this backdrop, this project will be undertaken by company's own fund in order to avoid safety risk and complication of maintenance works, facilitate new connection and load enhancement process and thus to ensure stable gas supply and ease customer service delivery. Under this project the existing distribution pipe lines from Joydebpur to Mymensingh will be replaced by the pipe line to be constructed on both sides of the road. At present, feasibility study of this project with a view to implementing under company's own fund is under process.

Implementation of GIS Map in Titas Franchise Area:

With a view to implementing "Geographical Information System (GIS)" project within TGTDCCL, Institute of Water Modeling (IWM) has completed the preparation of GIS based database with a few key-map drawings of gas network of Metro Dhaka Marketing Department-5 by means of field verification. In the light of previous experience of implementing such type of projects, IWM submitted an approximate estimate for the whole GIS project of TGTDCCL, detail estimate for the pilot phase and approximate estimate for its other phases as a project proposal (Technical & Financial Proposal).

The Company has decided to implement the project through open tendering method instead of single source selection of IWM. Accordingly a committee has been formed to prepare Terms of Reference (TOR), tender documents, technical specification and estimate of the project and specify the tendering method for implementing GIS project of TGTDCCL. Further actions as to the project will be taken as per the recommendation of the committee.

Construction of gas infrastructure for supplying gas to BEZA's Economic Zones under Titas Franchise Area:

For the construction of gas infrastructure in order to supply gas on priority basis to Bangladesh Economic Zone Authority (BEZA)'s Economic Zones under Titas franchise area(TFA), Tripartite Memorandum of Understanding (MoU) among Abdul Monem private economic zone, BEZA and TGTDDCL was signed on 14/01/2016. Separate 07(seven)Tripartite Memorandum of Understanding (MoU) among 07(seven) other Private Economic Zones i.e. Meghna Private, Meghna Industrial, Aman, Arisha, Sonargaon, Akij & Bay Economic Zone Ñ BEZA and TGTDDCL were signed on 25/01/2017. Later, Tripartite Memorandum of Understanding (MoU) for City Economic Zone was signed on 14/11/2017. Contractor has been appointed for the construction of distribution line and station modification for Abdul Monem Economic Zone and the procurement of materials and the construction of distribution line for the Meghna Private & Meghna Industrial Economic Zones. The purchase order has been issued for the procurement of materials and contractor's appointment for the construction of distribution line for Jamalpur Government Economic Zone are under process. The preliminary estimated cost for the construction of gas infrastructure for supplying gas to the Japanese Economic Zone has already been sent to BEZA. The construction of the gas infrastructure for this Economic Zone will be funded by BEZA/ JICA.



Development of ICT

Modernization of IT system:

Modern and state of the art web-based Total Integrated Computer System has been set up to boost up all the functions of the company so as to facilitate improved customer service. Gas bills of metered, non-metered and bulk customers are being processed and ledgers are being maintained by that Integrated Computer System. Salary and wages, GPF, loan, bonus and others related activities for the employees of TGTDCCL are also being processed by that system.

The following benefits are available from that system:

- Customer ledger is being updated automatically if bill payment is made through banks having online banking facilities;
- Registered Customers are being informed of their gas bills through SMS;
- Registered Customers can obtain online update about payment and dues;
- Clients can complain through online facility;
- E-mail facility has been started through own web-domain;
- Info regarding salary and bonus are being conveyed to the employees through SMS;
- Annual/half yearly financial reports and other related info are being processed quickly and correctly through integrated accounting software;
- Various sections and departments are using centralized software through Virtual Private Network (VPN);
- The customers/common people can lodge their complain through Call Center and website; and
- Clients could be able to pay bills from any place with their credit card and through mobile operator in near future.

Information on Illegal Gas Connection and Distribution Line

Information related to the legalization of illegal connection:

The Company has received applications against domestic connection/burners for legalizing the illegal gas connections up to 20 June, 2013, the official deadline for such application. The Company is regularizing the applications that belong to three categories on a few conditions. They are (1) gas connection to the increased number of burners by extending house line from the existing gas connections. (2) Illegal gas connections from the constructed but not commissioned risers. (3) Self-confessed illegal gas connection taken from existing distribution line (illegal connection with customer code number and without customer code number). In this program the Company has regularized total 84,585 domestic burners against total 1,352 applications of the fiscal year 2017-2018.

Disconnection of Illegal Gas connection/Illegal Gas Distribution Line exclusion:

Government has constituted central taskforce, district and upazila committee to disconnect and evict illegal gas connection as well as illegal gas distribution line. TGTDCCL has carried out a considerable



number of mobile court drives with the help of local administration and law enforcement agencies. In addition to that TGTDCCL has formed departmental disconnection team. In the year 2017-18, 227 drives have been carried out successfully to remove 613 kilometers illegal gas distribution line. Around 2 lac 53 thousands illegal gas burners have been disconnected in those drives.

GD/FIR has been filed against illegal gas users/organizations. 5 (Five) officers have been given letter of warning/letter of admonition and 1(one) employee of the company has been dismissed from service and annual increment of 2(two) employees have been confiscated for their involvement with illegal gas connections. Mobile court has fined a few persons/firms for taking illegal gas connections.

Besides, the Company is publishing awareness building/warning notices regularly in the national dailies so that the citizens abstain from laying illegal gas pipeline and taking illegal gas connections. Being influenced by these sorts of notices some illegal gas users in many places voluntarily removed illegal gas distribution lines. Progress on illegal gas distribution line eviction including disconnection is being published as press release. TGTDCCL is continuing drives against illegal gas distribution line including disconnection.

Activities of Vigilance/Marketing/Revenue Division's of the Company:

The company has conducted special drives to visit regularly the customer premises in a bid to disconnecting illegal connection of dishonest customers. The special inspection teams of vigilance division of the company have been visiting various categories of customers such as industrial, CNG, Captive Power, Commercial and Domestic customer's premises to prevent illegal connection of dishonest customers. Under this special inspection programs 32 industries, 12 Captive power 3 Commercial and 2 Domestic Customers' premises have been visited during 2017-18 FY and among whose 49 customers' gas connection from different categories was disconnected.

Besides, such special inspection/disconnection drives were carried out by different marketing/revenue divisions of the company. Premises of industries, CNG, Captive power, commercial and domestic customers and 70,436 customers of different categories were disconnected for their involvement in gas pilferage/illegal connection/gas use in appliance beyond approved capacity.

Statistics of disconnection by vigilance/marketing/revenue divisions of company in the FY-2017-18 is given below:

Customer Category	Disconnection due to gas pilferage/illegal connection	Disconnection due to gas use in appliances beyond approved capacity	Disconnection due to arrear bills	Total
Industry	41	75	118	234
CNG	03	03	06	12
Captive Power	08	25	32	65
Commercial	67	29	285	381
Domestic	63,188	325	6,231	69,744
			Total	70,436



Marketing and Operational Activities

Respected Shareholders,

I would like to present before you a brief account of marketing and operational activities of the company during the financial year under review:

Gas Purchase & Sales:

As there is a deficit in national gas production, in spite of a high demand the company had to set up a target of gas buying and selling to 17,027.00 MMCM and 16,686.46 MMCM respectively as per allocation of Petrobangla for the fiscal year 2017-18. Against the set target the actual achievement of gas buying and selling were achieved 17,154.52 MMCM and 16,963.10 MMCM respectively.

The sale and purchase data of gas during last five years under Titas Franchise Area are furnished in the following table:

(MMCM)

Customer Category	2013-14		2014-15		2015-16		2016-17		2017-18	
	Purchase	Sales								
Power (Govt.)	1,855.24	1,850.76	2,224.28	2,136.28	1,984.55	1,929.78	2,083.70	2,052.55	2,008.55	1,985.81
Power (Private)	2,783.38	2,773.69	2,196.05	2,103.47	3,185.46	3,099.54	3,153.18	3,111.54	3,078.15	3,039.84
Fertilizer	674.79	668.94	776.31	741.23	604.46	586.67	514.84	508.90	319.38	314.93
Industry	3,331.39	3,317.51	3,637.28	3,500.15	3,735.18	3,634.41	3,853.91	3,807.49	3,968.08	3,923.38
Captive Power	3,482.80	3,469.97	4,117.66	3,961.01	3,960.76	3,855.70	3,873.75	3,825.48	3,898.98	3,858.12
CNG	684.71	683.89	754.65	727.16	823.27	800.95	800.32	790.69	783.62	775.22
Commercial	149.74	149.15	150.00	144.10	148.84	144.69	136.00	134.27	128.58	126.99
Domestic	1,826.94	1,818.17	2,191.24	2,103.45	2,602.12	2,531.57	2,821.13	2,788.07	2,969.03	2,937.46
Total	14,788.99	14,732.08	16,049.49	15,416.87	17,044.65	16,583.33	17,236.83	17,018.99	17,154.52	16,961.75

*In the financial year 2017-18 amount of total gas sales was 16,963.10 MMCM along with condensate of 1.35 MMCM gas together with the of same amount. In the income year, 1.96 MMCM gas has been used for own operational activities. The system loss has been calculated by deducting net purchase 16,963.10 MMCM (Total purchase less own use) from the said total sales of gas 17,154.52 MMCM.



Present Gas Supply Scenario and Measures Taken to Improve Gas Supply:

Presently in Bangladesh 6 gas distribution companies are supplying gas through gas distribution network in their respective jurisdiction areas. Among this TGTDCCL is supplying 61% of the total gas produced in the country.

Presently TGTDCCL is transmitting and distributing about 1,700 MMCFD gas through its network. As a result the low pressure problem in Dhaka metropolitan area has been improved a lot. To combat production shortfall in gas field or tripping of compressor, by-passing of distribution lines is continuing in all DRS/TBS as supply side management. The gap between demand and supply has been reduced to some extent as the gas production reached at about 3000 MMCFD. Even then 500 MMCFD short fall still persists in TGTDCCL's distribution system. Conforming to Government decision continuous gas supply with adequate pressure has been ensured in all the power plants within TFA to increase power generation during holy Ramadan and irrigation season.

TGTDCCL has accomplished the construction of 20" dia x 1000 PSIG x 30 km transmission pipeline in June 2018 under its "Sreepur (Gayaran)-Joydebpur CGS gas transmission pipeline construction project". As a result low pressure scenario has been improved in Joydebpur, Mirzapur, Tongi, Savar and adjoining areas under TFA.

In order to meet the existing demand of natural gas primarily about 300 MMCFD imported LNG is being supplied to the national gas grid via Floating Storage and Regasification Unit (FSRU) built at Moheskali. As a result TGTDCCL is exhibiting an increase of about 70 MMCFD natural gas supply in its network, improving low pressure scenario to some extent amongst the end users of gas. The accomplishment of the construction of Moheskali-Fouzderhut and Fouzderhut-Feni-Bakrabad gas transmission pipelines is expected to increase the gas supply to a great extent. Besides, to cater for the increasing demand of gas by means of imported LNG the construction of more FSRU's and Land Based Terminal is under process under the supervision of Petrobangla along with the necessary steps for small scale import of LNG.

Taking illegal gas connections by illegal expansion of distribution line by some dishonest citizens has created low pressure crisis in some areas. Drives against illegal gas distribution line including disconnection is going on to resolve this problem.



Financial Activities

Respected Shareholders,

I would like to present to you a brief description of the financial activities of the company during the financial year for your kind information:

Revenue & Realization:

I am glad to inform you that in the financial year 2017-18 the company sold total 16,961.75 (without condensate) million cubic meter gas and earned revenue an amount of Tk.14,037.55 crore & Tk.14,189.93 crore with meter rent & surcharge, which was Tk.12,511.05 crore in the financial year 2016-17. The growth rate is 13.06% in this sector. Against the total receivable of the year Tk.14,189.93 crore total realization is Tk.13,695.00 crore which is Tk. 494.93 crore less than the receivable.

The information as to realization of revenue against the customer categories are furnished below:
(in Crore Taka)

Customer Category	2017-18			2016-17		
	Revenue receivable	Realization	(Less)/ Excess	Revenue receivable	Realization	(Less)/ Excess
Power(Govt.)	627.51	588.88	(38.63)	595.40	593.64	(1.76)
Power(Private)	1,348.78	1,318.21	(30.57)	1,208.43	1,075.66	(132.77)
Fertilizer	119.98	85.47	(34.51)	132.44	130.14	(2.30)
Industry	3,034.10	2,943.57	(90.53)	2,588.57	2,520.54	(68.04)
Captive Power	3,589.02	3,448.03	(140.99)	3,157.67	3,133.71	(23.96)
CNG	2,506.49	2,434.94	(71.55)	2,253.22	2,189.15	(64.07)
Commercial	230.99	216.46	(14.53)	168.39	164.08	(4.31)
Domestic	2,733.03	2,659.41	(73.62)	2,446.92	2,083.99	(362.94)
Total	14189.93	13,695.00	(494.93)	12,551.05	11,890.90	(660.15)

In the concerned year, Accounts Receivable have been increased by TK.494.93 crore as the realization is less than the gas sales as well as increases gas sales price during the year. In the financial year 2017-18, 170 new cases (Money, Civil, Judiciary, Administrative, Writ and others suits) have been filed in order to realize the arrear from the customer and 233 cases have been concluded. There are 1335 litigations under sub judiciary. In the income year 2016-17, the number of Money suit was 1,398. In the concerned income year Tk. 17.68 crore has been realized from litigated customer and the amount was Tk. 24.30 crore in the last income year.



Financial Performance:

Financial Result compared with last year is detailed below:

(Crore Taka)

Description of Item	2017-18	2016-17	Increase/ (decrease)
Paid up Capital	989.22	989.22	-
Revenue Reserve	5,493.79	5,372.43*	121.36
Long term Liabilities	1,946.56	1,544.56*	402.00
Current Liabilities	6,405.03	6,022.96*	382.07
Investment	4,825.25	4,656.81*	168.44
Fixed Asset	1,372.87	1,193.53	179.34
Current Asset	7,737.04	7,543.40*	193.64
Sales and Other Income	14,216.06	12,570.56	1,645.50
Cost of Sales	13,713.04	11,844.73	1,868.31
Gross Profit	503.02	725.84	(222.82)
Administrative Cost	435.34	408.87	26.47
Transmission & Distribution Cost	9.84	14.80	(4.96)
Net Profit Before Tax	399.80	390.62*	9.18
Net Profit After Tax	453.20	681.37	(228.17)
Earning Per Share(Taka) without Capital Gain	338.99	506.48	(167.49)
Earning Per Share(Taka) with Capital Gain	3.43	5.12	(1.69)

* Restated Balance of previous 2016-17 financial year have been shown.

In the concerned year due to the after tax profit of Tk. 338.99 crore included in revenue reserve & declared dividend for FY-2016-17 of Tk.217.63 crore transferred from revenue reserve to current liabilities, hence an amount of Tk.121.36 crore has been increased in this head. Out of long term liabilities, local and foreign loan Tk. 54.84 crore, customer security of Tk.362.33 crore has been increased and retirement obligation of Tk.12.66 crore has been decreased and that is why total long term liabilities have been increased by Tk. 402.00 crore.

The fixed deposit stands at Tk. 4,825.25 crore increased by Tk.168.44 crore in the year. Accounts Receivable has been increased by Tk.494.93 due to less realization in comparison with receivables and price increased. Due to increase of price, Accounts Payable increased by Tk.1,97.91 crore and the balance stands on Tk.3,416.54 crore, although accounts payable increased but monthly accounts payable decreased comparing to last year.



In this year the volume of gas purchase & sales decreased by 82.31 MMCM and 55.89 MMCM respectively. The system loss is 1.12% which was 1.35% in the last year. Though the administrative expense increased by Tk.26.47 crore, Transmission & distribution expense has decreased by 4.96 crore. Other operational income decreased by Tk.4.87 crore & non-operational income increased by Tk.9.18 crore and increased by Tk. 11.44 respectively. In this year though fixed deposit has increased by Tk.168.44 and bank interest income has decreased by Tk.6.12 crore due to decreasing of interest rate remarkably. It is worth notifying that Tk.22.79 crore accounted as income from capital gain in the financial year 2016-17 against the transfer of B.baria & Ashuganj Zone the amount of which is Tk. 45.59 crore in the financial year 2017-18. Although sales and other operational income have been increased by Tk.1,645.50 crore the gross profit has been decreased by Tk.222.81 crore as the cost of sale has been increased by Tk.1,868.31 crore. As the administrative and other expense have been increased by Tk.26.47 crore both the profit before tax and profit after tax of the company become Tk.453.20 crore and Tk.338.99 crore by decreasing Tk. 228.17 and Tk.167.49 crore respectively. As a result income per share decreased to Tk.3.43 from Tk. 5.12 in comparison with the last year.

Pre-tax and after-tax net profit:

The company has earned a net profit before tax and net profit after tax of Tk.456.20 crore & Tk.338.99 crore respectively during the financial year 2017-18 and the amount of that was Tk.681.37 crore & 506.48 crore in the last year. During the year the earning per share (EPS) is Tk.3.43 and it was Tk.5.12 in last financial year.

Dividend:

Subject to the approval of 37th Annual general Meeting (AGM) of the company board of directors recommended cash dividend 25% against book value of every 10 Taka per share that means the declared dividend is tk.2.25 for every share of 10 taka. No bonus share or stock dividend has been declared as interim dividend for the year 2017-18.

Minority Shareholders' Interest:

The Board of Directors of the company is conscious about the protection of minority shareholders' interest. They are always maintaining effective communication with the policy making authorities so that the interest of such shareholders will not hampered by any decision taken by such authorities.

Significant variance between Quarterly and Annual Financial Results:

Deferred Tax Liabilities & Deferred Tax Expense was not considered in preparing accounts of 1st, 2nd & 3rd quarter of the company. In preparing accounts in the financial year 2017-18, Deferred Tax Income & Deferred Tax Asset has been considered and Deferred Tax Asset of Tk.1.72 has been adjusted with Deferred Tax Liability up to 30 June 2018. Again Deferred Tax Liability of Tk.15.06 has been adjusted with Revenue Reserve. The capital gain earned from transformation of B.Baria & Ashuganj distribution network of Tk.45.59 crore didn't accounted in the 1st, 2nd & 3rd quarter of the FY-2017-18 but accounted during preparation of final accounts.

Auditor of the company has given the following qualified opinion in the audit report:

- Long-term liabilities as disclosed under Note # 24 to the financial statements includes customers' security deposit of Tk.1,519.79 crore. The head office of the Company maintains control ledgers



with the information being received from zone offices. But during our audit at zone offices we could not confirm such balances with the records of zone offices as the zone offices' general ledgers were not updated. Further, any list or particulars of the parties could not be made available to us. As a result, we could not ensure the balance through circularization of balance confirmation from the parties.

- Up to the year ended 30 June 2010 the required provision for Pension Fund was determined by the Company through an actuarial valuation at Tk.160 crore. Out of which only an amount of Tk.50 crore was provided for till the year 2014-15. As a result, an amount of Tk.110 crore remained short in provision for Pension Fund up to the year 2009-2010. In addition, provision @ 12.5% of the basic salary has been made from January 2012 to 30 June 2018. No further actuarial valuation has been done by Company to determine the exact amount of required provision for Pension Fund as on 30 June 2018. The financial statements for the year under audit revealed only Tk.30 crore as provision for Pension Fund as on the reporting date. But we assume that the amount of required provision as on 30 June 2018 would be much more than the reported amount which could not be quantified due to lack of information.
- As disclosed in Note # 37 to the financial statements, an amount of Tk.45.59 crore has been recognized as income in the year under audit on account of realized gain from sale of all assets including land, plants, pipelines, etc. at Brahmanbaria and Ashuganj Area of the Company to Bakhrabad Gas Distribution Co. Ltd (BGDCL). This gain is actually related to the year ended 30 June 2012. As a result, profit for the year ended 30 June 2018 has been overstated by the same extent.
- Due to delay in payment of bills by the bulk customers (Power- PDB) the Company calculates and charges penal interest on the bill amounts of the respective customers. As such a total amount of Tk.45.79 crore has been recognized as interest income up to 30 June 2018 and included in Trade & other receivables shown under Note # 11. On the other hand, the company accounted for meter rent charges on its customers namely, PDB and Fertilizer producing companies for Tk.31.39 crore up to the year 2017-18. Out of the said aggregated amount of Tk.77.18 crore, there is no realization till date. On a query we came to know that the said customers are not interested to pay such penal interest as well as meter rent charge which remains receivable for long. As a result, there is a substantial doubt as regards realization of said penal interest and meter rent receivable which requires full provision in the accounts.
- As disclosed in Note # 33 to the financial statements, an amount of Tk.2.06 crore has been disclosed as "Disconnection & reduction of system loss cost" under the head "Transmission & Distribution expenses". This expense was incurred for disconnection & reduction of illegal gas connections during the year under audit, which indicates that the Company has illegal gas connections for which the Company is losing substantial amount of revenue every year.

The Company's statement regarding auditor's opinion:

- Though the Company was not able to prepare the schedule of security deposit of Industry, CNG, Commercial, Metered and Unmetered customers during the auditing period but the task is going on.
- Z.Halim & Associates has been appointed as Actuary to calculate the actual pension liability. Calculating of actual pension liability is under process.



- As per the Government decision the company transferred its B.Baria & Ashuganj distribution network on 01 July 2011 to Bakhrabad Gas Distribution Company Ltd. in purchase consideration of Tk. 268.20 crore. The written down value of fixed asset in this area was 41.09 crore. As a result of this transfer the capital gain generation was Tk. 227.10 crore which was shown as capital reserve earlier. Income from capital gain has been accounted of Tk.45.59 crore in the FY-2017-18 as it has been realized.
- Some of the power (Govt.) customers under Bangladesh Power Development Board (Power-PDB) refrain from paying meter rent/service charge along with gas bill and some of the Power (Private) refrain from paying late payment penalties. Several letters have been sent to PDB and concerned private power Generation Company to collect the said receivable. The collection process is in process.
- A central task force and Zila & Upazila committees have been formed for running the drivers of disconnecting illegal gas connection and removing of illegal distribution lines. With the help of said committee and local administration, a total number of 227 drives have been carried out in the FY-2017-18. 613 KM of illegal pipelines was disconnected and removed. Total 2,52,566 illegal burners have been disconnected by the said committee. Besides, all the vigilance activities of marketing divisions are going on regularly.

Extra-ordinary gain or loss:

As per the Govt. decisions the gas network of B.Baria & Ashugonj had been hands over to BGGCLin exchange of Tk. 268.20 crore on 1 July 2011. Tk. 227.10 was the capital gain of from the said transfer. In the income year 2017-18, from the above capital gain Tk.45.59 has been accounted for being realized.

Related Party Transaction:

As a part of normal activities of the company, it performs different types of transaction with the concerned authorities. Here is a presentation of related party transaction as per the IAS-24.

(Crore Taka)

Name of Parties	Relationship	Nature of Transaction	Net Transaction During the Period	Outstanding as on 30.06.2018 (Payable)	Outstanding as on 30.06.2017
Petrobangla	Controlling Authority		11,112.70	(2,767.50)	(2,349.70)
BAPEX	Inter Company	Gas Purchase	133.80	(31.50)	(36.20)
BGFCL	Inter Company	Gas Purchase	2,247.80	(551.90)	(766.90)
GTCL	Inter Company	Gas Transmission	231.40	(65.70)	(65.80)
BPAEX	Inter Company	Inter Company Loan	-	13.00	13.00
GTCL	Inter Company	Inter Company Loan	320.30	671.70	351.40
			14,046.00	(2,731.80)	(2,854.20)



Remuneration of Directors:

Honorable Directors including independent director of the Board have been paid fixed attendance fee on presence of board meeting.

Payment to the National Exchequer:

Titas Gas is not only earning profit, it is also playing an important role in the national economy by contributing significantly to the National Exchequer through regular payment of CD/VAT, Corporate Tax, Dividend and DSL. During the financial year the Company paid a total of Tk. 558.47 crore to National Exchequer Payments to the Government Exchequer.

Payments to the Government Exchequer during the last five years are given below:

(Crore Taka)

Category	2013-14	2014-15	2015-16	2016-17	2017-18
Dividend	259.67	281.92	111.28	148.38	163.22
Corporate Tax	311.34	326.79	338.10	347.18	342.89
DLS	43.02	25.02	24.97	24.32	24.28
CD/VAT	1.38	23.53	9.25	7.34	28.08
Total	615.41	657.26	483.60	527.22	558.47

Balance Confirmation Certificate:

Balance conformation certificate containing bill payment status of customers is being issued to every customer at the end of calendar year. Payments received from the customer are posted correctly and accurately in ledger books and after ensuring balance, each customer is issued with Balance Conformation Certificate 9,20,587 (100%) number of such riser based certificate were issued up to 31 December 2017 covering all categories of customer.

Administrative Activities

Respected Shareholders,

Company's overall performance depends upon a strong and efficient administrative system. TGTDCCL, as the major gas marketing company attaches due importance to the need of improved customer service and with this end, a "Revised Organogram" was introduced in the Company in August 2006. Apart from this, "Service Rule, 2008", "Promotion Rules, 2008", "House building/Land purchase/flat purchase loan rules, 2010", "employees travel allowances rules-2012" and "Motor-cycle purchase loan rules-2014" have been introduced. Highlights of the company's administrative activities in fiscal year 2017-2018 are given below:



Manpower:

According to company's organogram -2006 (Partially Amended) there are 1201 posts of officers and 2528 posts of staffs against the approved total manpower of 3719. Total 2282 were employed as on 30 June, 2018. Among them number of officer was 937 and number of staff was 1345. However 94 officers retired normally, 03 took optional retirement. 2 officers and 3 staffs were suspended from their service as per company's rule. 17 officers & staffs died on their service span in the fiscal year 2017-18. Besides 149 officers have been promoted to different posts and 149 staffs were recruited within the same fiscal year.

Human Resources Development:

The development of work-environment, acquisition of knowledge and appropriate utilization of earned experience are vital for improving the standard of any organization. As a part of the implementation of present government's vision of building Digital Bangladesh human resources management activities have been incorporated in HR module under e-software and official activities have been carrying out by means of e-filing. With a view to enhancing knowledge, experience and work efficiency amongst the officials and employees of all strata, various local/foreign trainings/workshops/seminars have been arranged by the Company's own fund in various famous institution of home and abroad. The particulars of these trainings/workshops/seminars are furnished below:

Information related to local training in FY 2017-18

SL No.	Subject	Number of Training	Number of Participants
01	Technical & subject based training	100	1,107
02	EVC/RMS Meter/Conduct & Discipline/E-filing training	11	275
03	Seminar & workshop aimed at increasing Technical efficiency and coordination	05	150
Total		116	1,532

Information related to foreign training in FY 2017-18

SL No.	Name of the Country	Number of Training based on cadre & Integrated subject	Number of Participants
01	India	02	02
02	Thailand	01	09
03	Malaysia	03	44
04	Indonesia	01	16
05	Vietnam	01	13
06	Japan	04	08
07	USA	01	01
Total		13	93

Management-Employee Relations:

Management- Employee Relationship is quite satisfactory in this Company. The election of the Executive Council of Titas Gas Employees' Association for CBA (reg.no-B 1193) took place on 12 September 2017 in a peaceful and cordial manner. The said Executive Council of the CBA is co-operating the management for promoting management-employee relations, settlement of fringe and other benefits, improvement of customer Services, reduction of system loss and realization of accounts receivables etc.

Education:

Titas Gas Adarsha Ucha Bidhaloy is established in 1987 at Demra, with the initiative of the company which creates an opportunity to acquire quality education for the children of the company employees and for the locals. From its inception the school made outstanding results in SSC examination including 5th and 8th grade. In 2018, 96 students appeared at the SSC examination and 98% of them passed in different grades with 18 students A+, 59 students A, 15 students A-, 02 students B. In the calendar year of 2017, 97 students appeared at Primary Education Certificate Examination(PEC) among them 73 Students obtained A+ and 29 A grade. In the same year, 102 Students appeared in Junior School Certificate(JSC) examination where 54 students secured A+, 40 obtained A & 03 students aquired A- grades. It is worth noting that 01(one) student has been awarded talentpool and 1(one), general scholarship in Primary Education Certificate Examination(PEC) of 2017. In Junior School Certificate(JSC) examination held in 2017, 8(eight) students have been awarded Talentpool & 02 (two), General Scholarship.



Employee Welfare:

The company undertakes various motivational activities to improve human values, mutual understanding, interpersonal relationship and loyalty among the officers and employees. In the year 2017-18 the company arranged the following social, cultural, religious and entertainment programs on regular basis:



Scholarship & Financial Assistance Program:

Employee's dependents who come out successful at Primary, Junior, Secondary, Higher Secondary, Bachelor and Masters Degree, are awarded Scholarship in every year under Titas Gas Scholarship and Financial Assistance" program. Under this program, 56 students in Class V, 72 in Class VIII, 113 in SSC and Equivalent, 96 students in HSC & Equivalent, 26 in Bachelor and Masters Courses, 02 in Diploma in Engineering, in total 365 students are awarded scholarship in different grades in 2017-18 fiscal year.

Loan:

By means of financial provision of the company budget to the tune of tk. 109.04 crores has been disbursed for land purchase, house building and motorbike purchase loan and Tk. 58.80 lac for computer purchase loan to implement the government policy for promotion of information technology.

Religious Programme:

Milad Mahfil was also arranged on the occasion of different religious programs. Apart from this, in the fiscal year 2017-18 total Tk. 90 thousand was granted for 3 officers' funeral assistance who died while in service where each family received tk.30,000/-. Besides, Tk. 8.00 lac was granted for each family of 3 officers who expired while in service which summed to Tk. 24 lac only.

Sports and Entertainment:

Titas Club regularly takes part in the Premier Volley Ball League of Bangladesh Volley-Ball Federation. Till date in this competition, Titas club won the glory of 4-time-Championship title



A view of Inauguration Ceremony of Annual Sports Competition-2018 of Titas Club at BUET Playground



and 10-times-Runner-up title including consecutive two championship title in 2016 and 2017. “Annual Sports Competition-2017” was held in the BUET playground with the participation of the Company’s officials and employees of all strata. Apart from this, Titas Club and different Divisions/Departments arranged picnic for entertainment of the employees during the year.

Corporate Social Responsibility (CSR):

Tk. 5 lac to Bangabandhu Kirashebi Welfare Foundation; Tk. 2 lac to Bangladesh Administrative Service Association; Tk. 2 lac to Nilufar Old Care & Shibganj Genral Library, Chapinawabganj ; Tk. 20 lac to the relief fund of Hon’ble Prime Minister; Tk. 4 lac to Basundhara Sarbojonin Puja Committee; TK. 3 lac to Patchpara Sarkar Bari Jame Mosque, Mymensingh; TK. 3 lac to Dhalia Jame Mosque, Fulgazi, Feni; Tk. 2 lac to 24th BCS Administrative Association welfare fund; TK. 2 lac to Shohid Jafor memorial Jagoroni Club of Alfadanga, Faridpur; TK. 10 lac to Bangladesh Shooting Sports Federation, Gulshan, Dhaka; TK. 2 lac to Bangladesh Scouts and Tk. 1 lac to Suruj Mia, D.R, Petrobangla have been donated Under Corporate Social Responsibility (CSR) Programme of the Company.

National Integrity Strategy (NIS):

With a view to gathering up-to-date experience for implementing national integrity strategy in the company and enhancing capacity as to this 11(eleven) officials of Innovation team, APA team and National Strategy Team were provided with foreign training related to these. The Company is planning to organize further local and foreign training programs, if necessary, for the related officials in order to encourage Integrity Strategy under time-bound workplan and to bring about dynamism, efficiency and transparency in the Company activities.

With a view to implementing National Integrity Strategy well-decorated reception room for the service seekers at Head Office and Idea/Opinion Box have been placed. Progress reports as to integrity have been uploaded in the Company website and letter head pad with NSI logo has been prepared. Besides, official activities have been carried out by means of e-filing and necessary steps have been taken to set up reception rooms for the service seekers, ensure pure drinking water and sanitary toilet facilities for them at the zonal and regional offices of the Company.

Annual Performance Agreement (APA):

GoB has introduced Government Performance Management System for qualitative and quantitative evaluation of the performance in the public sector. Under this umbrella Annual Performance Agreement (APA) system has been initiated. APA between EMRD and Petrobangla and between Petrobangla and each company under it is signed every year. A TGTDCCL official has been assigned as a focal point for preparing APA properly and necessary communication with Petrobangla. TGTDCCL has been signing APA with Petrobangla since 2014-2015 and making it effective since then. APA for the fiscal year 2018-19 was signed between Chairman, Petrobangla and Managing Director, TGTDCCL on 11 June 2018.

Health, Environment and Safety:

Natural gas is an environment friendly energy. It has been playing an important role in the economic development of the country. Safe use of natural gas is of paramount importance. For this reason, safety of different stations and environmental activities including the safety of gas pipelines and stations,



health and safety of the people who are engaged in system operation and maintenance are given due importance. The following actions are undertaken in respect of health, environment and safety:

Health:

The employees of the company are given health allowance as per Government rule. The physicians of the company provide health services to the employees and their dependants.

Environment:

Global warming potential of Natural Gas (Methane) is 22 times that potential of carbon-di-oxide. Taking this fact into consideration and with a view to reducing wastage of natural gas sincere efforts are made to keep the emission of gas to a minimum level during any operation and maintenance activities. The rules and regulations of the Department of Environment are being strictly followed while implementing transmission and distribution projects of the company. Special care is given so that damage to the environment remains low at the time of gas route selection. Apart from this, gas venting to the atmosphere are kept at possible lowest level during emergency and maintenance operations. Efforts are always made to ensure that no spillage of condensate occurs during collection and handling. To preserve the environmental balance, a large no. of trees were planted at different installations of the company under "Tree Plantation Programme" during the year under review.

Safety:

Safety at all levels is given due importance in the construction of pipeline facilities and system operation in strict compliance with Bangladesh Natural Gas Safety Rules and applicable Environment Regulations. As a result over all system of the company still remains in safe condition since the birth of the company. Small leakages are repaired instantly. Pipeline integrity is ensured by regular patrolling of transmission and distribution pipe lines. Preventive maintenance after certain time period including test of gas leakage from installations and condensate leakage test is examined. To prevent the corrosion of pipeline and for activation of CP (Cathodic Protection) system PSP reading at every CP point is monitored on regular basis. Necessary actions are taken to test the fire protection equipment (CO₂/Dry Gas Powder) and to set up the fire protection equipment where no equipment is available. General Diary is lodged with the police and Chief Inspector of Explosives is informed by Emergency Gas Control Section in case of violation of natural gas safety regulations such as shifting of riser by the customers in illegal way or in case of accident occurred by any other means. For avoiding gas accident and to increase awareness among customers advertisement is being circulated to Electronic and Print Media in different morals. To avoid faults and accidents during the system control operations, safety auditing of most of the important stations is done once a year, under Petrobangla's supervision and company's initiation. According to the annual program, safety auditing of stations is being done by the concerned department, once in a month.

Emergency Response:

The company has Emergency Gas Control Centers at Dhaka Cantonment, Postogola, Mirpur including the 24 hours central emergency control room at Motijheel. All the emergency calls were promptly attended to ensure safe and smooth supply of gas to the customers and to avoid probable accident and loss.



Statistics of Emergency calls received and attended during FY 2016-17 and FY 2017-18 are presented below:

Category of Calls	2016 - 17	2017-18
Fire	238	186
Leakage	5,650	6,584
Low Pressure	223	240
No Gas	1,036	1,473
Others	873	886
Total	8,020	9,369

Improved Customer Services:

In order to ensure improved customer services, measures have been taken for construction of gas pipeline network through the enlisted contractor of the company. Steps are being taken by imparting training to ensure improved customer services, installation of pipeline network, and installation/modification of CGS/TBS/DRS for ensuring the future gas demand of the customers and to improve the low pressure problem prevailing in different parts of Dhaka Metropolitan City and adjoining areas, during winter season.

Internal Control System:

A well designed Internal Control System; its effective implementation and time to time observation perform very important roles in acquiring overall success and goals of the Company. The current Board of Directors of the Company is conscious about maintaining a well developed Internal Control System as well as its effectiveness to the Company. For that, an Audit Committee consisting of 3(three) directors including an Independent Director who is also the chairperson of the committee, is performing its role as a sub-committee of the Board. In order to adoption or consideration for the Board, internal audit report prepared by the Audit Department and the 'Management Report' submitted by External Auditor of the company are presented to the Audit Committee for discussion and recommendation. The Board of Directors is taking decisions and gives directions to the management after discussion and analysis of Audit Committee's recommendation regarding the implementable matters related to the Internal Control System.

Respected Shareholders,

Titas Gas has embarked on six decades after completion of five decades of its operation. I sincerely hope that you will continue an important role for the overall development of the Company. I express my sincerest gratitude to all of you for your kind presence in this Annual General Meeting.

As per the directives given by the Energy & Mineral Resources Division, Titas Board and Petrobangla, and under the able guidance of Titas management the company also achieved noteworthy success in all aspects including financial aspects in the fiscal year 2017-18.



Due to shortage of supply, gas supply were disrupted in some areas of TFA, for which company regrets it with due sincerity.

The company is grateful for the able guidance and co-operation received from the members of the Board of Directors of the company, Bangladesh Securities and Exchange Commission (BSEC), Petrobangla, Ministry of Power, Energy and Mineral Resources, Ministry of Finance, Planning Commission, IMED, National Board of Revenue, BERG and other Government Agencies. I would like to put on record our thanks to the donor agencies for their keen interest and financial assistance in the development activities of the company and wish to get their all out co-operation in future.

I would like to congratulate the officers and staff of the Company of all levels on behalf of the Board of Directors for shouldering their responsibilities with devotion for the development of the company.

In the end, it is my pleasure now to place the Report of the Board of Directors along with the Audited Accounts for the FY 2017-18 before the respected Shareholders for their kind consideration and acceptance.



(Abu Hena Md. Rahmatul Muneem)
Chairman

