



**Internship on**  
Analyzing the financial activities of  
Jalalabad Gas Transmission & Distribution System Limited  
(A Company of Petrobangla)  
Gas Bhaban, Mendibahg, Sylhet-3100, Bangladesh.

**Submitted To:**

Shahana Kabir

Assistant Professor

Department of Business Administration

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**Submitted By:**

Raisa Kamal Adri

BBA (Finance)

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## Letter of Transmittal

Date:

To,

Shahana Kabir  
Assistant Professor  
Department of Business Administration  
Faculty of Business & Entrepreneurship  
Daffodil International University (DIU)

Subject: Submission of Report on “**Analyzing the Financial Activities of Jalalabad Gas Transmission & Distribution System Limited**”.

Dear Madam,

I am pleased to present to you the report on “**Analyzing the Financial Activities of Jalalabad Gas Transmission & Distribution System Limited**” for the internship period. This report provides a comprehensive overview of the company's financing activities, including sources and uses of funds, as well as any debt and equity transactions during the specified period.

The report has been prepared with the utmost care and attention to detail, and all information has been verified and cross-checked to ensure its accuracy. I trust that the information contained within will provide you with a clear understanding of the company's financial position.

In addition, I am happy for the chance you have provided me to showcase my talents, and I genuinely hope you love the work I have completed.

Thank you for considering this report.

Sincerely yours,

*Raisa Kamal*  
18.05.23

.....  
Name: Raisa Kamal Adri  
ID: 192-11-6262  
Major in Finance  
Batch no: 53  
Department of Business Administration  
Daffodil International University



## Declaration

"I, Raisa Kamal Adri, the author of this report, declare that the information contained in this report is true and accurate to the best of my knowledge and belief. All data, statistics, and financial statements have been thoroughly researched and verified before inclusion in this report.

I take full responsibility for the completeness and accuracy of the information presented in this report. I understand that false statements or inaccuracies in a report can have serious consequences and I affirm that no such inaccuracies exist in this report.

*Raisa kamal*  
18.05.23

.....  
Name: Raisa Kamal Adri  
ID: 192-11-6262  
Major in Finance  
Department of Business Administration  
Daffodil International University



### Certificate of Supervisor

This is to certify that I, Ms. Shahana Kabir, Assistant Professor, Department of Business Administration, Daffodil International University (DIU), have reviewed the report on **“Analyzing the Financial Activities of Jalalabad Gas Transmission & Distribution System Limited”** prepared by Raisa Kamal Adri, Id: 192-11-6262. This report was completed under my supervision, and I have personally reviewed the contents and accuracy of the information contained within.

I confirm that the research methodology used was thorough and appropriate, and the data presented is accurate and reliable. The author has followed all necessary guidelines and procedures in the preparation of this report.

I am confident that this report meets the required standards and provides a comprehensive overview of the “Analyzing the Financial Activities of Jalalabad Gas Transmission & Distribution System Limited”.

*shahana kabir* 18.5.23  
.....

Ms. Shahana Kabir  
Assistant Professor  
Department of Business Administration  
Daffodil International University  
Date:



## Acknowledgment

I would like to express my sincere gratitude to all those who have contributed to the preparation of this report. First of all, thanks to my Internship Supervisor, **Shahana Kabir**, Assistant Professor, Dept. of Business Administration at Daffodil International University. Also, I would like to extend our appreciation to the following individuals and organizations:

- Md. Shafiul Alam Sarker, Deputy General Manager (Finance)
- Tarik Md. Mohiuddin Chowdhury, Manager (Bank & Cash)
- Kazi Anawer Hossain,
- Mahfuzul Hasan,

Your valuable input and support have been instrumental in ensuring the success of this report. Your time, ability, and insights have greatly helped to enhance the quality and content of this report.

I hope that this report will supply valuable information and insights for its intended audience.

Sincerely,

*Raisa Kamal*  
18.05.23

.....  
Name: Raisa Kamal Adri  
ID: 192-11-6262  
Major in Finance  
Department of Business Administration  
Daffodil International University



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*Chapter 1*  
*Introduction*



## **1.1 Introduction:**

Nowadays, the energy sector can impact the whole economy of a country. And with the rising population, the demand for natural gas is also increasing. Bangladesh's government is highly aware of the situation and takes action to increase the energy supply which is essential for the continuation of the country's progress. In recent years, the government has completed significant infrastructure development and technical construction projects in the energy industry for the gas and coal sector.

Petro Bangla is in charge of all of these initiatives. Petrobangla is Bangladesh's state-owned national oil firm in charge of the exploration, production, transportation, and sale of oil, natural gas, and other mineral resources. In addition, the firm engages in production-sharing agreements with foreign oil corporations to explore and develop the country's oil and gas resources. Petrobangla is in charge of broad corporate planning for the gas industry, as well as advising particular enterprises on the implementation of investment plans while keeping final decision-making and approval power. The corporate planning of the firm is directed by the national economic policy and the role of the energy sector within it, and it comprises operations ranging from exploration to marketing, taking into account both public and private sector operators. Petrobangla distributes gas to diverse clients through five marketing businesses, each of which runs in a distinct franchise region, while JGTDSL is in charge of the Sylhet division.

JGTDSL was established on December 1, 1986, to fulfill the increasing demand and support the socio-economic development of the Sylhet region. The company was formed under the Company Act with an authorized capital of Tk. 150 crores. Since its inception, the company has been working to decrease the reliance on imported fuel, conserve foreign currency, and maintain ecological balance by building pipelines, establishing and maintaining relevant facilities, and ensuring steady transmission and distribution of gas throughout its franchise area.

The purpose of this report is to provide an analysis of the financial activities of JGTDSL over the past five years. The report examines the company's financial performance, including its revenue, profits, and cash flow, as well as its financial position and liquidity. The report also assesses the major trends and changes in the company's financing activities throughout the analysis, such as changes in debt levels or the sources of financing. Additionally, the report identifies any notable





risks or challenges facing the company and provides recommendations for improving the company's financial performance. The report aims to provide valuable insights for investors, shareholders, and other stakeholders interested in the financial health and performance of JGTDSL.

## **1.2 Background:**

Students of the Daffodil International University's Business Administration department are introduced to an internship program as a part of their BBA program. This will allow them to apply their theoretical knowledge in a practical setting through practical training in a particular business. So as a result, I joined Jalalabad Gas Transmission & Distribution System Ltd. for the internship program under my supervisor Shahana Kabir & prepared a report on the “Analysis of Financial activities of Jalalabad Gas Transmission & Distribution System Ltd. In the course of this internship program, I have worked in the finance departments Bank & Cash & Budget section where I have experienced how theoretical concepts are applied to practical ones. Through this, I collect some of their financial performances but some are confidential to provide. So, there is an information gap.

## **1.3 Scope of the Study:**

The three-month internship program is used to create the study report. At Jalalabad Gas T&D System Ltd., I had the chance to work as an intern. The examination of Jalalabad Gas Transmission & Distribution System Limited's financial activity is what I decided to write about for my internship report.



#### **1.4 The objective of the study:**

The objective of this study is to conduct a comprehensive analysis of the analyzing the financial activities of Jalalabad Gas Transmission & Distribution System Limited (JGTDSL) over the past five years. The study aims to:

- To analyze the financial performance of JGTDSL
- To identify any challenges facing the company and provide recommendations for improving its financial performance.
- Provide valuable insights for investors, shareholders, and other stakeholders interested in the financial health and performance of JGTDSL.

The main purpose of this study is to evaluate the financial health of JGTDSL and to identify potential areas of improvement in the company's financing activities, to assist stakeholders in making informed decisions related to the company.



## 1.5 Methodology of the study:

This study will be mainly quantitative research and will use a combination of primary and secondary data. The primary data will be collected from the financial statements and annual reports of the company, while the secondary data will be collected from various sources such as industry reports and publications. This study will use a variety of data analysis tools and techniques, such as ratio analysis, trend analysis, and benchmarking to analyze the data and draw conclusions. The methodology of this study on analyzing the financial activities of Jalalabad Gas Transmission & Distribution System Limited (JGTDSL) includes the following steps:

- **Data collection:** Financial statements, annual reports, and other publicly available data from JGTDSL, as well as any relevant industry reports and publications, will be collected and analyzed.
- **Financial performance analysis:** The company's financial performance, including revenue, profits, and cash flow, over the past five years, will be analyzed and trends and patterns will be identified.
- **Financing activities analysis:** The major trends and changes in the company's financing activities, including changes in debt levels and sources of financing, will be examined.
- **Risk and challenges analysis:** Any notable risks or challenges facing the company will be identified and recommendations for improving the company's financial performance will be provided.
- **Industry comparison:** The financial performance, financing activities, and risks and challenges of JGTDSL will be compared with other companies in the same industry.
- **Data analysis:** The collected data will be analyzed using statistical and financial analysis techniques such as ratio analysis, trend analysis, and benchmarking.
- **Report preparation:** The findings from the data analysis will be presented clearly and concisely in the final report, including conclusions and recommendations.



## 1.6 Limitation of the study:

- **Lack of data:** The report is based on secondary data and does not have primary data from the company, this could affect the reliability and validity of the findings.
- **Time frame limitation:** The study is focused on analyzing the financial activities of Jalalabad Gas Transmission & Distribution System Limited (JGTDSL) over the past two years, which may not provide a complete picture of the company's overall financial performance or trends over a longer period of time.
- **Data availability limitation:** The report is based on the financial statements, annual reports, and other publicly available data from JGTDSL, as well as any relevant industry reports and publications. However, the data may not be complete or accurate and could affect the conclusions of the report.
- **Industry-specific limitation:** The report is based on the analysis of JGTDSL, which is a specific company in the natural gas distribution industry in Bangladesh, and the findings and recommendations may not be generalizable to other companies or industries.
- **Assumptions limitation:** The report is based on certain assumptions and estimates, which could affect the conclusions of the report if they prove to be inaccurate.
- **Limited scope:** The report only analyzes the financial activities of JGTDSL, which does not include other factors that might affect the overall financial performance of the company, such as market conditions, government regulations, or management decisions.



*Chapter 2*  
*Company Overview*



## **2.1 Background of JGTDSL:**

Jalalabad Gas Transmission and Distribution System Limited (JGTDSL) is a natural gas distribution company in Bangladesh. The company was established on December 1, 1986, to meet the growing demand for natural gas in the Sylhet region and to support the socio-economic development of the people in the area. JGTDSL is responsible for the transmission and distribution of natural gas in the Sylhet division, which is one of the eight administrative divisions in Bangladesh.

JGTDSL's main objective is to reduce dependency on imported fuel, save foreign currency, and maintain ecological balance through the construction of pipelines, installation and maintenance of related facilities, and ensuring uninterrupted transmission and distribution of gas throughout its franchise area. The company is responsible for the distribution of natural gas to households, industries, and commercial and other customers in the Sylhet division.

The company is governed by a Board of Directors, and it also has a management team responsible for the day-to-day operations of the company.

JGTDSL has been playing an important role since its inception in developing the socio-economic condition of the people of the Sylhet region. The company has been working to decrease the reliance on imported fuel, conserve foreign currency, and maintain ecological balance by building pipelines, establishing and maintaining relevant facilities, and ensuring steady transmission and distribution of gas throughout its franchise area.



## **2.2 Vision, Mission, and Strategic Objectives of JGTDSL:**

- **Vision:**

Efficient and secure transmission and distribution of natural gas in the Jalalabad Gas Affiliated Area.

- **Mission:**

Providing better services to respected customers, ensuring efficient use of natural gas, and also ensuring good governance in gas marketing.

- **Strategic objectives of JGTDSL:**

1. To ensure energy security.
2. To increase dues gas bill collection and to reduce the average equivalent sale of arrears of the arrears.
3. Gas connection (Power, Industry, Captive, CNG, Tea-Estate).
4. Gas connection tearing.
5. Pipeline construction/installation/harmonization.
6. Human resource development.



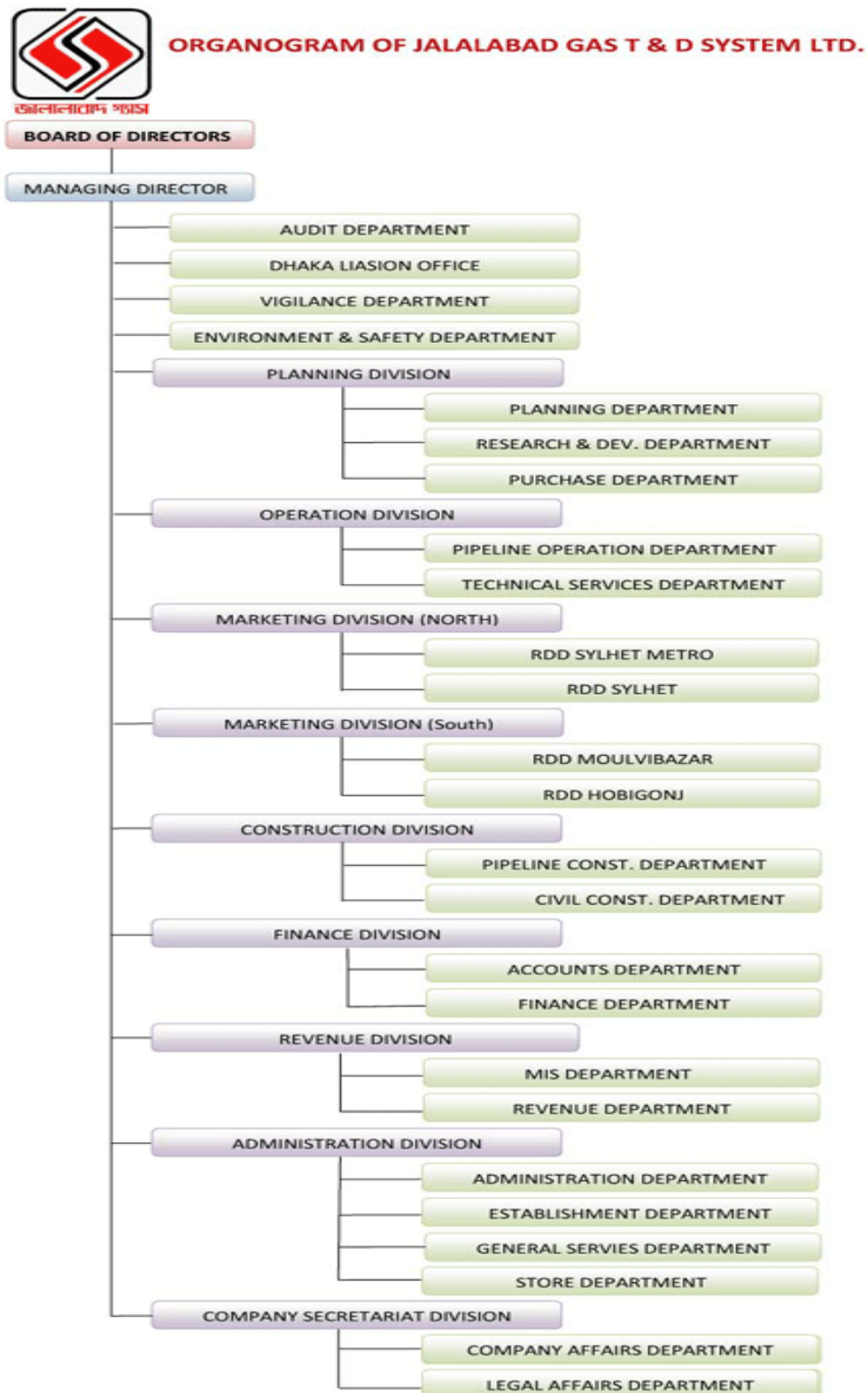
## 2.3 Board of Directors:

Chairperson	Zanendra Nath Sarker Chairman, Petrobangla, Dhaka.
Director	Md. Humayun Kabir Lasker Former Additional Secretary
Director	Engr. Md. Shaheenur Islam Director (PSC), Petrobangla, Dhaka.
Director	Mohammad Faruque Hossen Joint Secretary (Ad-2), Energy & Mineral Resources Division, Dhaka.
Director	Engr. Md. Kamruzzaman Khan Managing Director, Additional Charge Jalalabad Gas T&D System Ltd.
Director	SHAMIMA FERDOUS Deputy Secretary (Op-2), Energy & Mineral Resources Division, Dhaka.
Director	Md. Hasanuzzaman Deputy Secretary (Planning-2), Energy & Mineral Resources Division, Dhaka.
Director	Barrister Abul Kalam Azad Director Jalalabad Gas Transmission & Distribution System Ltd
Director	Mohammad Muzahidul Islam APS to the Hon'ble State Minister, Ministry of Power, Energy and Mineral Resources, Dhaka.





## 2.4 Organogram of the Company:





## 2.5 Jalalabad Gas T&D System Ltd. at a Glance:

Name of the organization	JALALABAD GAS TRANSMISSION AND DISTRIBUTION SYSTEM LIMITED
Date of Incorporation & Reg. No.	December 1, 1986, Reg. No- C-17030/434.
Head Office	Gas Bhaban, Mendibag, Sylhet – 3100, Bangladesh
Supervisory Company	Bangladesh Oil, Energy & Mineral Resources Corporation (Petrobangla).
Administrative Ministry/Division	Ministry of Power, Energy & Mineral Resources/Energy & Mineral Resources Division
Background	The enterprise is a Public Company limited by shares registered under the Company Act, of 1913 on December 01, 1986, and it is a subsidiary of Bangladesh Oil, Gas and Mineral Corporation (Petrobangla).
Coverage Areas	<ul style="list-style-type: none"> <li>○ <b>Sylhet Division</b> (Sylhet, Sunamganj, Moulvibazar, and Habiganj districts)</li> <li>○ <b>Sylhet District:</b> Sylhet Sadar, South Surma, Fenchuganj, Golapganj, Beanibazar Upazila</li> <li>○ <b>Sunamganj District:</b> Chhatak, Doarabazar and Sunamganj Sadar Upazila</li> <li>○ <b>Moulvibazar District:</b> Moulvibazar Sadar, Kulaura, Baralekha, Kamalganj and Srimangal Upazilas</li> <li>○ <b>Habiganj District:</b> Habiganj Sadar, Madhabpur, Bahubal, Chunarughat, Nabiganj Upazila</li> </ul>
Regional Distribution Offices and date of commencement of activities	<ul style="list-style-type: none"> <li>○ Sylhet Town (Sylhet East, Sylhet West, Sylhet South, Sylhet North), 1 January 1978.</li> <li>○ Fenchugonj, June 1996;</li> <li>○ Golapgonj, 21 June 1986;</li> <li>○ Beanibazar, 1 September 1998;</li> <li>○ Chhatak, 16 January 1987;</li> <li>○ Sunamgonj, 7 December 1983;</li> <li>○ Moulvibazar, 21 October 1985;</li> <li>○ Kulaura, 21 September 1995;</li> <li>○ Sreemangal, 17 March 1986;</li> <li>○ Hobigonj, 29 July 1985;</li> <li>○ Shahjibazar, October 1987;</li> </ul>



Site offices and date of commencement of activities	<ul style="list-style-type: none"> <li>○ Madhabpur, 2 February 1990;</li> <li>○ Nobigonj, 30 June 2012;</li> </ul>							
Company Authorized Capita	Taka 150 Crore.							
Company Paid-up Capital	132,74,800.00							
No. of Shares of the Company	1,32,74,718 Nos (Taka 100 Each)							
Company Website	www.jalalabadgas.org.bd							
Company Email	jgtdslho@gmail.com							
Daily Gas Sales	407.57 MMCFD (Financial Year 2021-22)							
Annual gas sales:	2987.51 Crore (Average) (Financial Year 2021-22)							
Loan & Equity	44.01 Crore and 979.07 Crore. Loan: Equity = 4:96(Financial Year 2021-22)							
Gas Pipeline Network (Up to June 2021)	Dia. Wise Pipeline:							
	Transmission Pipeline:							
	20"Ø	14"Ø	12"Ø	10"Ø	8"Ø	6"Ø	4"Ø	Total
	10.00K m	3.54K m	6.46K m	19.00K m	133.40K m	252.21K m	103.79K m	524.85K m
	Distribution Pipeline:							
	8"Ø	6"Ø	4"Ø	3"Ø	2"Ø	1"Ø	3/4"Ø	Total
	10.19K m	54.16K m	273.3K m	375.22K m	609.09K m	969.95K m	943.89K m	
Total Pipeline - 3836 Km								



### 2.5.a Category-Wise Gas Connection: (Up to June 2022):

Sl No	Category	Nos. Of Connection
1	Power	19
2	Captive Power	127
3	Fertilizer	01
4	CNG	59
5	Industrial	130
6	Tea Estate	100
7	Small and Cottage Industries	458
8	Hotel & Restaurant	803
9	Domestic (Burner)	2,19,764
Total		2,21,461

### 2.5.b Category-Wise Gas sales volume of the FY 2021-2022:

SL. No	The sector of Gas sales	Sales of Gas (MMCM)
1.	Power	2,888.330
2.	Fertilizer	379.374
3.	Industry	303.966
4.	Hotel & Restaurant	9.556
5.	Small and Cottage Industries	8.318
6.	Tea Estate	30.545
7.	Domestic	201.675
8.	CNG	133.590
9.	Captive Power	257.665
	Total Sales	4,213.019



- **Power:** Government and non-government organizations that use natural gas to produce power.
- **Captive power:** The customer who produces electricity himself using natural gas is called captive power.
- **Fertilizer:** Government and non-government that use natural gas feedstock.
- **CNG:** Several types of customers who compress natural gas to supply various types of vehicles are called CNG customers.
- **Industry:** In BASIC small and cottage industries ceramic, sanitary, electrical goods, and other equipment thus products by their company is called industry.
- **Tea Estate:** Tea leaf freshness, process, and another type of work using natural gas.
- **Commercial:** Commercial customer pays more value to domestic meter customer. They generally use 16 hours.
- **Domestic:** In a residence for a family gas used flat rated and burner basis is called domestic customer. Domestic customer pays 600/- TK for a single burner and 650/- Tk. for a double burner.
- **Domestic Meter:** This type of customer gas is used like a domestic customer but the gas used showed by the gas bill payable as per as meter reading.



*Chapter-3*  
*Organizational Setup of the Finance Department*



### **3.1 Functions of Finance and Revenue Division:**

The functions of finance and revenue division are summarized below:

- To keep accurate books of accounts and record daily business transactions there.
- Annual revenue and expenditure statement and balance sheet preparation.
- Creation of the company's periodic financial statements.
- To manage payroll and set up the payment of wages and salaries.
- processing a bill for payment.
- To provide management with a variety of data for financial control.
- Budget and money flow statement preparation.
- Upkeep of the revenue and capital accounts.
- Upkeep of associated firm money accounts.
- Upkeep of loans, current assets, fixed assets, and associated accounts.
- Accounts for provident funds, gratuities, poor fund group insurance, charitable funds, and pension funds are prepared.
- Account maintenance to collect fees on electricity accounts.
- Upkeep records about the disbursement of loans and advances, as well as their recovery or payment to employees.
- Assistance with supporting papers for internal and external auditors.

Sections of Finance and Revenue Division. In the finance division, there are two departments:

- 1) Finance Department;
- 2) Accounts Department.

The finance department has Five sections such as;

- 1) Budget Section;
- 2) Store Section;
- 3) Bank & Cash Section.



The Accounts department has Five sections such as;

- 1) Fund Section;
- 2) Bill & Pay Section;
- 3) General Accounts Section.

The revenue division has two sections such as;

- 1) Central Revenue Section;
- 2) MIS Section.

### **3.2 Functions of finance department sections of JGTDSL :**

#### **3.2.1 Functions of Budget section:**

The budget section performs the following functions:

- Create departmental budgets with the assistance of a concerned Department Coordinator Officer (DCO).
- A budget plan is a quantitative expression of a period, often one year, in which personnel and material resources are used.
- Budgets show projected future costs for cash outlays and inflows.
- Before creating a voucher following each budgeted account head, every expense was recorded in the budget register.
- In cooperation with budget holders, monitor the budget, analyze variations, and identify main deviation reasons.





### 3.2.2 Functions of Bank & Cash section:

The Bank & Cash section is responsible for all types of bank and cash-related activities. The Bank & Cash section executes the following activities:

- Bill payment is allowed via the Bill & Pay section.
- All cheque transactions.
- Receipt of cash in exchange for a contribution, different fees, and sales revenues.
- Cash and check deposits at banks.
- Cash withdrawals from banks.
- Provide a little sum of money for various expenses such as contractors, suppliers, and customers.
- Collect VAT from contractors and suppliers.
- Maintain all JGTDSL bank accounts.
- Maintain corporate finances through a variety of bank accounts (STD Account/ Current Account) within the Sylhet division.
- The current accounts are used to collect funds from the STD accounts and pay staff wages and other expenses (subscriptions, scholarships).
- All branch's STD accounts collect Gas Bills for Petrobangla, SGFL, BGFCL, and other third-party bills.
- The corporation has a lot of money sitting around. According to Ministry of Finance standards, the corporation loans money FDR on a six-month basis to public and private commercial banks.
- Issues a check for payment by account section order voucher.
- Complete the Bank Reconciliation Statement.
- Based on the issued bank, posting software ledger, the check data including the payee's name, the purpose of payment, and the amount in the business's software. After the month is finished, reconcile the ledger balance with the bank balance.



*Chapter- 4*  
*Financing Process of JGTDSL*

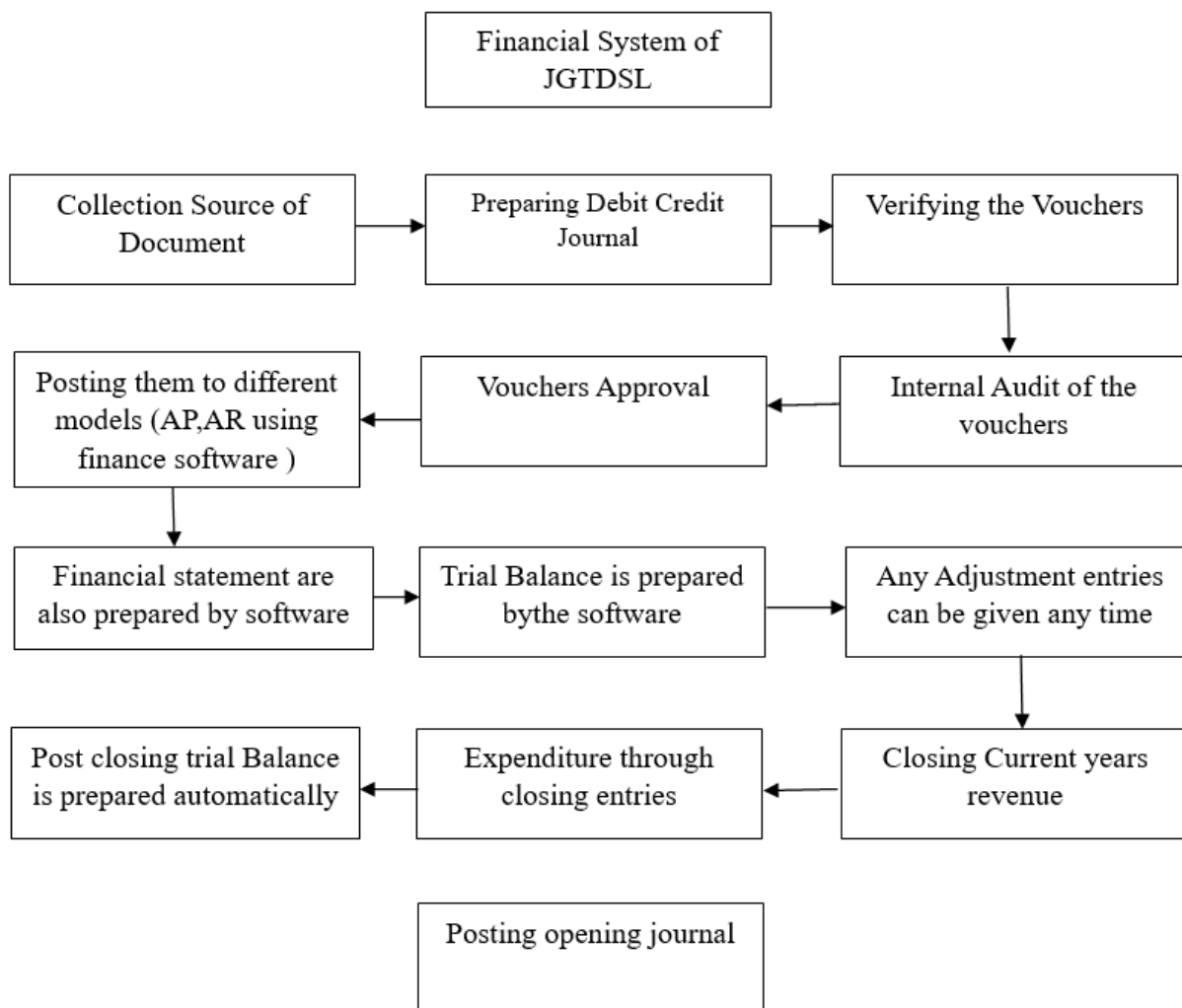


## 4.1 Financial practice in JGTDSL

JGTDSL is a service-oriented business. Finance practice is required not just for transaction documentation, but also for managerial planning and control. It is also required to comply with legal obligations. JGTDSL uses a combination of debt, equity, project financing, PPPs, and cost recovery to finance its activities and maintain a healthy balance sheet.

The financial system might be manual or electronic (computerized) but my company has been applying both manual and digital financial systems while utilizing finance software.

## 4.2 Flowchart of Financial Systems:





### **4.3 Financial structure**

The company's financial structure comprises:

- Equity capital, all of which are effectively owned by Petrobangla on behalf of the government of Bangladesh, and
- Long-term loans comprise foreign and local currency loans.

### **4.4 Financial Management Policies and Procedures**

#### **4.4.1 General Purpose**

These guidelines are established to establish boundaries for setting financial objectives, making informed financial decisions, presenting the organization's financial status, and administering the company's finances.

#### **4.4.2 Financial Responsibilities:**

The Board of Directors holds the responsibility for creating financial policies and conducting regular evaluations of operations and activities. This responsibility has been delegated to the Treasurer and the Finance Committee, chaired by the Treasurer. The CEO and Head of Finance jointly share this responsibility through delegation. The CEO serves as the primary financial representative and ensures compliance with financial regulations and procedures. The CEO is responsible for overseeing the financial processes of the company. The Finance Committee is tasked with overseeing the following activities:

The annual budget presentation, management of endowment funds and other investments, selection of auditors, and approval of revenue and expense targets aligned with the Board's long-term plans are the responsibilities of the Finance Committee. The daily administration of the organization's finances, including accurate record-keeping, compliance with internal controls and financial policies, preparation of financial statements, and bank reconciliation review and approval, falls under the purview of the Head of Finance, who is overseen by the Finance Committee. The Accountant, who reports directly to the Head of Finance, handles tasks such as



creating the chart of accounts, preparing financial reports, processing accounts payable and payroll, inputting cash receipts, journal entries, and bank reconciliations

#### **4.4.3 Budgeting Process:**

The CEO, Head of Finance, and Treasurer of the company must present a draft annual operating budget to the Finance Committee and other Board Committees 60 days before the end of the fiscal year and 30 days before the presentation to the Board of Directors. The Finance Committee must review and approve the budget, including projected revenue, expenses, and cash flow, before presenting it to the Board for approval. The budget must include monthly revenue and expenditure projections, along with a monthly cash flow illustration."

#### **4.4.4 Financial Statements:**

The company's financial statements will be prepared using the accrual method following Generally Accepted Accounting Principles (GAAP). The financial statements must be presented in line with the guidelines outlined in Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". GAAP categorizes net assets and revenues, expenses, gains, and losses based on donor-imposed restrictions, resulting in classifications of unrestricted, temporarily restricted, and permanently restricted net assets and changes.

Resources designated for specific purposes are separately accounted for and segregated from unrestricted funds. Funds established for this purpose include but are not limited to, the Endowment Fund, Restricted Endowment Fund, Restricted Funds, Cash Management Fund, Property and Equipment Fund, and others. The Head of Finance is accountable for preparing and presenting monthly financial statements that have been approved by the CEO and Finance Committee. The statements will undergo review by the CEO, senior management, and the Finance Committee



#### **4.4.5 Bank Reconciliations:**

The Accountant is responsible for performing monthly bank reconciliations, comparing them with cash and receipts records and financial statements. The Head of Finance will assemble the financial statements, which will then be reviewed by the CEO and reported to the Finance Committee. The Accountant must reconcile all bank statements, credit card statements, and endowment fund report monthly and retain records in the finance office.

#### **4.4.6 Maintenance of Necessary Books, Forms, and Register:**

JGTDSL maintains the following books, forms, and registers for recording and analyzing transactions and institutes an internal control

- Cash Book:
- Cheque Register:
- General Ledger
- Store Ledger
- Personal Loan Register
- Fixed Asset Register
- Work in Process Register
- Salary Register
- Pay Slip
- Voucher Forms
  - Debit voucher
  - Credit voucher
  - Journal voucher
  - Material Issue Voucher (MIV)
  - Material Transfer Voucher (MTV)



*Chapter 5*  
*Theoretical Aspect*



## **4.1 Financial performance analysis:**

Financial performance analysis is the process of evaluating a company's financial data to gain insight into its financial health and assess its past, present, and future performance. This analysis typically includes reviewing balance sheets, income statements, and cash flow statements, as well as ratios such as profitability, liquidity, and efficiency ratios. The goal is to identify areas of strength and weakness, trends in performance, and opportunities for improvement. The information gathered through financial performance analysis can be used by management to make informed business decisions, and by investors to assess the investment potential of a company.

## **4.2 Balance sheet:**

A balance sheet is a financial statement that provides a snapshot of a company's financial position at a given point in time. It lists the company's assets, liabilities, and equity. The balance sheet follows the accounting equation, which states that assets must equal the sum of liabilities and equity.

The theory behind the balance sheet is that a company's assets must be financed either through debt (liabilities) or equity (ownership capital). This information provides insight into the company's debt-to-equity ratio, which can be an indicator of financial risk. Additionally, the balance sheet can be used to analyze a company's liquidity, or its ability to meet its financial obligations as they come due. A company with a strong balance sheet, with more assets than liabilities, is generally seen as being in a better financial position than a company with a weak balance sheet, with more liabilities than assets.





### **4.3 Income statement:**

An income statement, also known as a profit and loss statement, is a financial statement that shows a company's revenues, expenses, and net income over a specific period, typically a quarter or a year. The theory behind the income statement is that a company's revenues minus its expenses equal its net income.

The income statement provides a comprehensive view of a company's financial performance by showing its ability to generate revenue, manage expenses, and ultimately achieve profitability. The information contained in an income statement can be used to assess the company's operating efficiency and to identify trends in its financial performance over time.

An income statement is an important tool for investors and analysts to determine a company's financial strength and to evaluate its future potential for growth and profitability. Additionally, management can use the information from the income statement to make informed business decisions and to identify areas where improvements can be made to increase profitability.

### **4.4 Cash flow statement:**

The cash flow statement is a financial statement that shows the inflow and outflow of cash for a company over a specific period, typically a quarter or a year. The theory behind the cash flow statement is that a company's cash position is critical to its financial stability and long-term success.

The cash flow statement provides information on the sources and uses of cash and helps to answer the question of whether a company is generating sufficient cash to support its operations and meet its financial obligations. It shows cash received from operations, investments, and financing activities, as well as cash used for investments and financing activities.

The cash flow statement is an important tool for investors and analysts to evaluate a company's financial health, as well as its ability to generate and manage cash. Additionally, management can use the information from the cash flow statement to make informed decisions about



investments, financing activities, and other cash management strategies. A company with a positive cash flow is generally considered to be in a better financial position than a company with a negative cash flow.

#### **4.5 Ratio:**

Financial ratios are mathematical calculations that are used to evaluate a company's financial performance and financial position. They are calculated using information from a company's financial statements, including the balance sheet, income statement, and cash flow statement.

The theory behind financial ratios is that they provide a way to compare and analyze various aspects of a company's financial performance and financial position. Ratios can be used to evaluate a company's profitability, liquidity, solvency, efficiency, and other key financial metrics.

There are several different categories of financial ratios, including profitability ratios, liquidity ratios, solvency ratios, and efficiency ratios. Each category provides information on a different aspect of a company's financial performance and financial position, and they can be used together to gain a complete picture of a company's financial health.

Financial ratios are widely used by investors and analysts to evaluate the investment potential of a company and to make informed investment decisions. Additionally, management can use financial ratios to identify areas of strength and weakness in the company's financial performance and to make informed decisions about how to improve the company's financial position.



*Chapter 6*  
*Financial Performance Analysis*



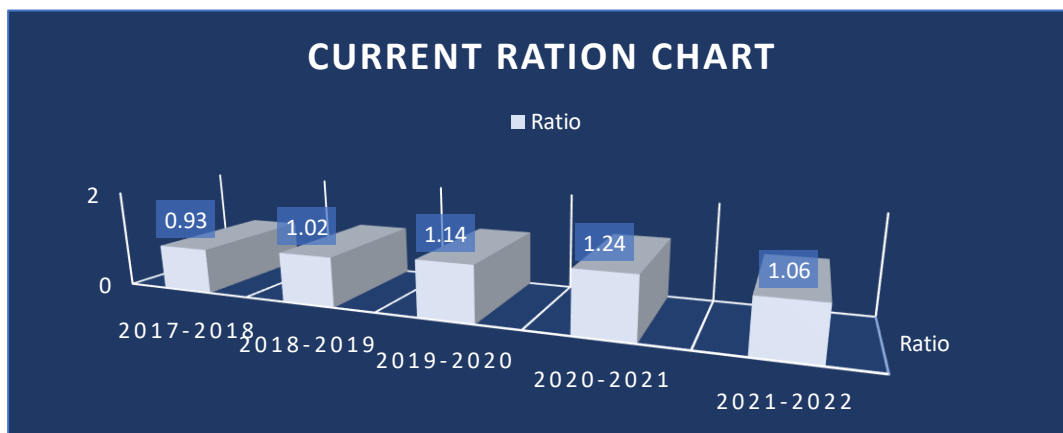
## 5.1 Performance Indicator:

These financial ratios help in analyzing the financial condition of a company by providing information on its liquidity, solvency, profitability, efficiency, and debt management. They are used to assess a company's financial performance and its ability to pay its debts and obligations.

### 5.1.1 Liquidity Ratio:

1. Current ratio: This chart presents the current ratio of a company for the financial years 2017-2018 to 2021-2022. The current ratio is a financial metric that measures a company's ability to meet its short-term obligations. It is calculated by dividing current assets by current liabilities. In this chart, the current ratio for each financial year ranges from 0.93:1 to 1.24:1, with the highest value being 1.24:1 in 2020-2021 and the lowest value being 0.93:1 in 2017-2018. The fluctuation in the current ratio indicates the changes in the company's financial health over the years. A higher current ratio implies a higher level of liquidity and a better ability to meet short-term obligations, while a lower current ratio suggests the opposite.

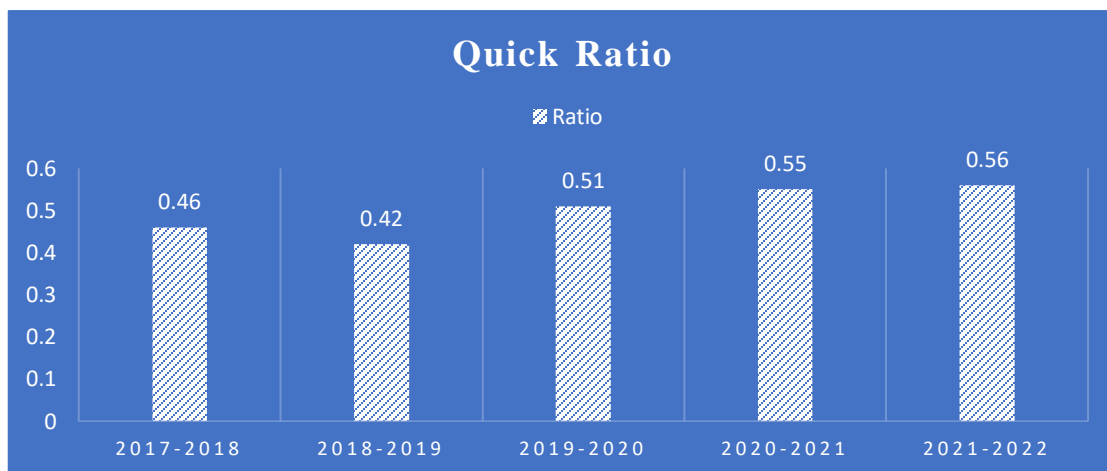
Current Ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	0.93:1	1.02:1	1.14:1	1.24:1	1.06:1





2. Quick ratio: This table represents the Quick Ratio of a company for the financial years 2017-2018 to 2021-2022. The Quick Ratio, also known as the Acid-Test Ratio, is a measure of a company's ability to meet its short-term obligations using its most liquid assets. A higher quick ratio indicates that a company has a stronger financial position. As per the table, the company's quick ratio was 0.46:1 in 2017-2018 and gradually increased to reach 0.56:1 in 2021-2022. This indicates that the company has improved its financial position over the years. However, it is important to note that an ideal quick ratio is considered to be 1:1, so the company still has room for improvement.

Quick Ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	0.46:1	0.42:1	0.51:1	0.55:1	0.56:1





### 5.1.2 Solvency Ratio:

1. Debt-equity ratio: The Debt-Equity Ratio is a financial ratio that compares a company's total debt to its shareholder equity. The Debt-Equity Ratio provides insight into a company's financial leverage, as higher debt levels increase the risk of default and bankruptcy. The Debt-Equity Ratio of the company decreased steadily over the years from 0.0752 in 2017-2018 to 0.0416 in both 2020-2021 and 2021-2022. This indicates that the company reduced its debt levels and improved its financial leverage over the years. A lower Debt-Equity Ratio is generally considered a positive sign for investors, as it means the company has a lower level of financial risk.

Debt-equity Ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	0.0752	0.0638	0.0526	0.0416	0.0416

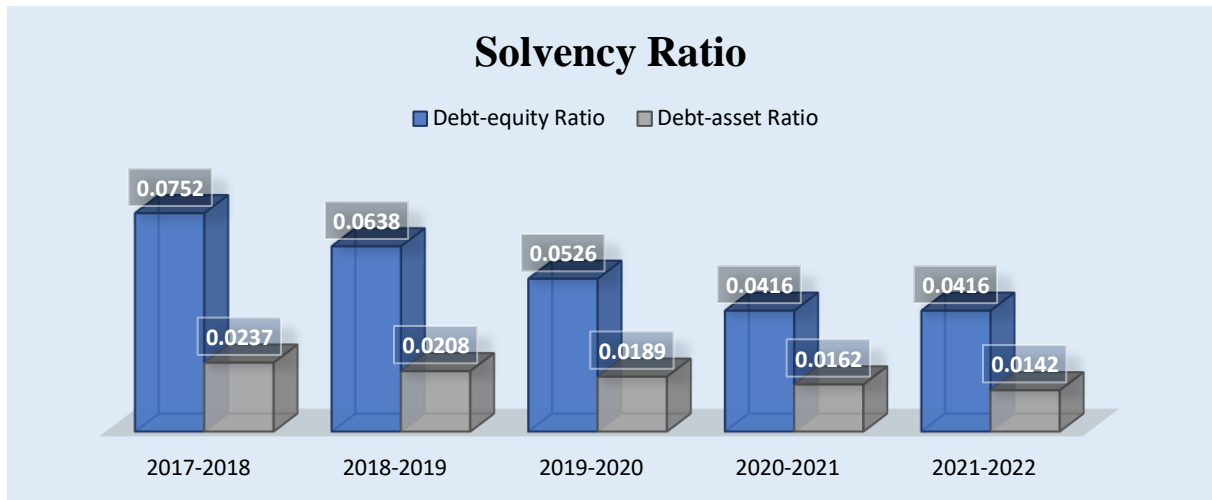
2. Debt-assets ratio: The Debt-Asset Ratio is a financial metric that measures the number of a company's assets that are financed by debt. The values in this chart represent the Debt-Asset Ratio for Jalalabad Gas Transmission & Distribution System Ltd over the years 2017-2018 to 2021-2022.

A lower Debt-Asset Ratio indicates that a company is relying less on debt financing and more on equity financing. This can be seen as a positive sign as the company would have lower debt obligations and lower financial risk. On the other hand, a higher Debt-Asset Ratio indicates that a company is relying more on debt financing, which can be risky if the company is not generating enough income to cover its debt obligations.

In the case of Jalalabad Gas Transmission & Distribution System Ltd, the Debt-Asset Ratio has been decreasing over time, indicating that the company is relying less on debt financing and more on equity financing. This is a positive trend that can lead to lower financial risk and greater stability for the company.



Debt-asset Ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
		0.0237	0.0208	0.0189	0.0162



### 5.1.3 Profitability Ratios:

1. Net Profit Margin: This chart shows the net profit margin for a company over a period of five years, from 2017-2018 to 2021-2022. The net profit margin is a financial metric that measures the percentage of revenue that is left over after deducting all expenses, including taxes and interest. The values in the chart indicate a generally high net profit margin, ranging from 103.5176 in 2021-2022 to 137.1393 in 2017-2018.

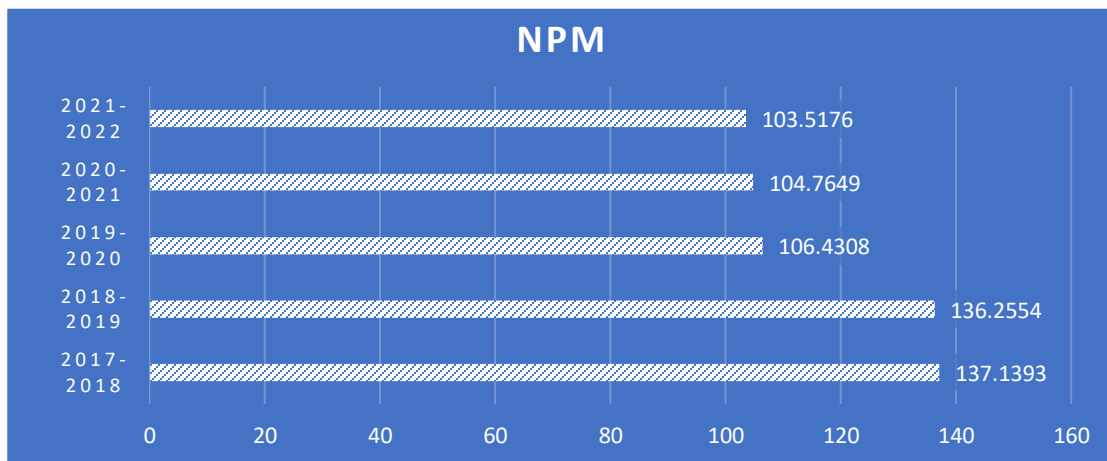
Some observations that could be made from this chart are:

- The company has been consistently profitable over the past five years, as evidenced by the positive net profit margin each year.
- However, the net profit margin has been decreasing over time, indicating that the company's profitability may be slowing down. For example, the net profit margin was 137.1393 in 2017-2018 but dropped to 103.5176 in 2021-2022.



- Finally, it's important to note that a high net profit margin doesn't necessarily mean that the company is financially healthy, as there could be other factors at play, such as high debt levels or inefficient use of assets.

Net Profit Margin	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	137.1393	136.2554	106.4308	104.7649	103.5176



2. Return on assets (ROA): This chart shows the return on assets for a company over a period of five years, from 2017-2018 to 2021-2022. The return on assets is a financial metric that measures the profitability of a company's assets, calculated as net income divided by total assets. The values in the chart indicate that the return on assets has been increasing over time, starting at 0.0249 in 2017-2018 and peaking at 0.062 in 2020-2021, before dropping slightly to 0.049 in 2021-2022.

Here are some observations that could be made from this chart:

- The increasing trend in the return on assets over the five years suggests that the company has been using its assets more efficiently to generate profits.
- However, the slight dip in the return on assets in 2021-2022 could indicate a need for the company to review its asset management strategies to maintain profitability.





- Finally, it's important to note that the return on assets doesn't take into account the company's capital structure, which could impact its overall profitability. Therefore, it would be helpful to consider other financial metrics, such as the return on equity, to gain a more complete picture of the company's financial health.

Return on	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
assets	0.0249	0.0282	0.0378	0.062	0.049

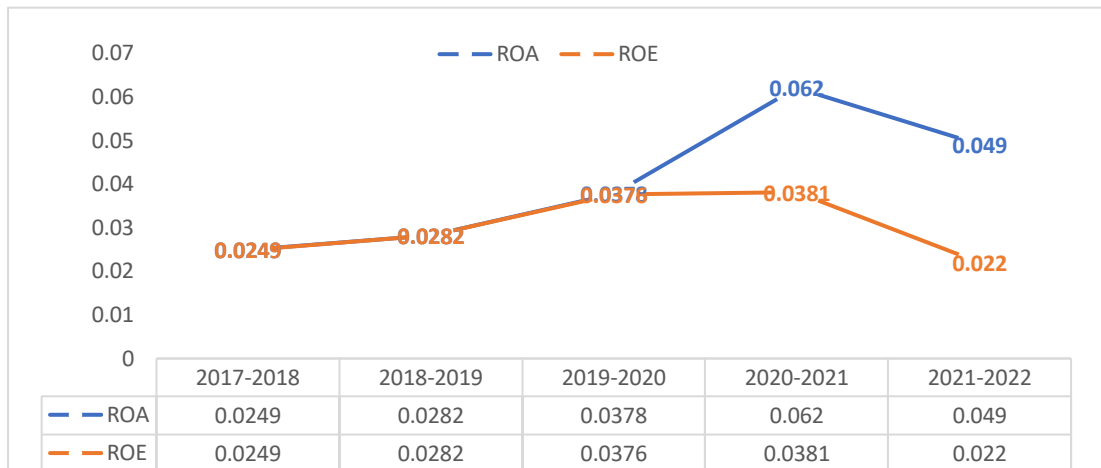
3. Return on Equity (ROE): This chart shows the return on equity for a company over a period of five years, from 2017-2018 to 2021-2022. The return on equity is a financial metric that measures the profitability of a company's equity, calculated as net income divided by shareholder equity. The values in the chart indicate that the return on equity has been fluctuating over time, starting at 0.0249 in 2017-2018, increasing to a peak of 0.0376 in 2019-2020, before dropping to 0.0220 in 2021-2022.

Here are some observations that could be made from this chart:

- The fluctuating trend in the return on equity over the five years suggests that the company's profitability has been somewhat volatile and has not been consistently increasing.
- The peak in the return on equity in 2019-2020 could indicate that the company was using its equity more efficiently to generate profits during that period.
- The drop in the return on equity in 2021-2022 could suggest that the company's profitability has decreased, which could be a concern for shareholders.
- Finally, it's important to note that the return on equity doesn't take into account the company's debt levels, which could impact its overall profitability. Therefore, it would be helpful to consider other financial metrics, such as the debt-to-equity ratio, to gain a more complete picture of the company's financial health.



Return on	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Equity	0.0249	0.0282	0.0376	0.0381	0.0220



4. Return on capital employed(ROCE): This chart shows the return on capital employed for a company over a period of five years, from 2017-2018 to 2021-2022. The return on capital employed is a financial metric that measures the profitability of a company's capital employed, which includes both equity and debt, calculated as operating profit divided by total capital employed. The values in the chart indicate that the return on capital employed has been decreasing over time, starting at 12.07% in 2017-2018 and declining to 8.38% in 2021-2022.

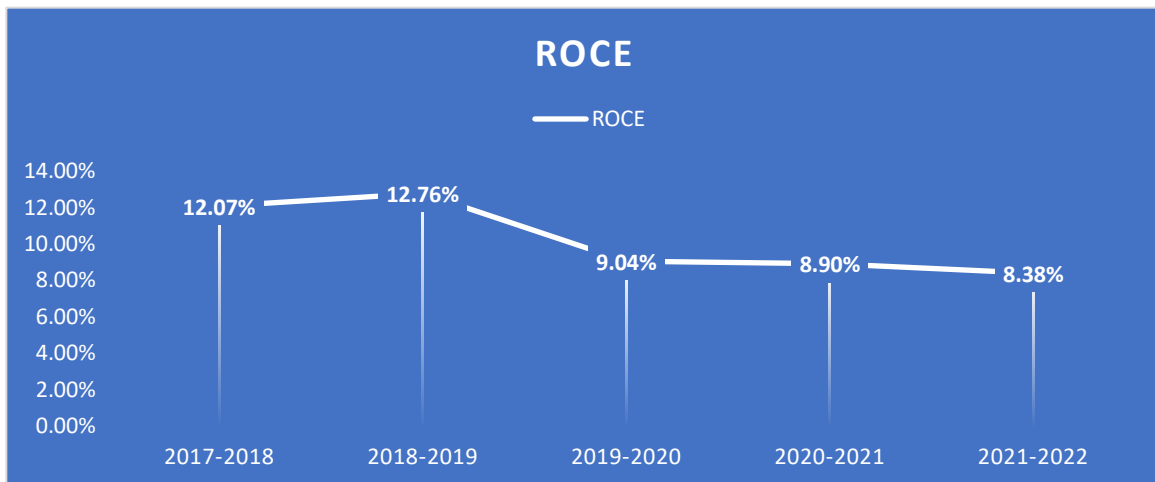
Here are some observations that could be made from this chart:

- The decreasing trend in the return on capital employed over the five years suggests that the company's profitability has been declining and that it has been less efficient in generating profits with its capital.
- The decline in the return on capital employed could be due to a decrease in operating profit, an increase in the capital employed, or both.
- Finally, it's important to note that the return on capital employed doesn't take into account the company's cost of capital, which could impact its overall profitability. Therefore, it



would be helpful to consider other financial metrics, such as the weighted average cost of capital, to gain a more complete picture of the company's financial health.

Return on capital employed	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	12.07%	12.76%	9.04%	8.90%	8.38%



#### 5.1.4 Market Prospect Ratios:

1. Price-to-Earnings (P/E) Ratio: This chart shows the price-to-earnings (P/E) ratio for a company over a period of five years, from 2017-2018 to 2021-2022. The P/E ratio is a financial metric that compares a company's stock price to its earnings per share, calculated as the current stock price divided by earnings per share. The values in the chart indicate that the P/E ratio has been fluctuating over time, starting at 1.081666 in 2017-2018, decreasing to a low of 0.9081 in 2018-2019, and increasing to a peak of 1.950078 in 2021-2022.

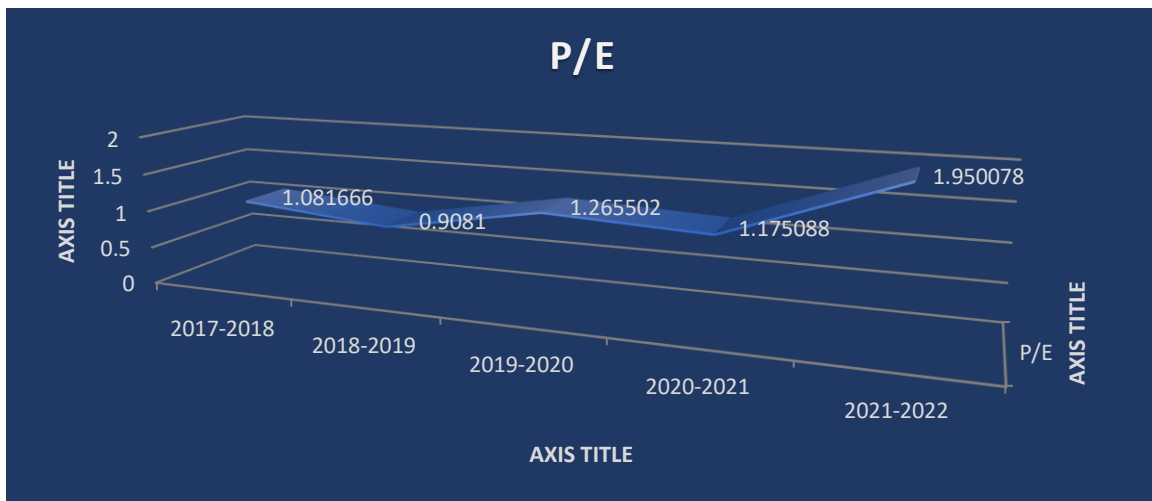
Here are some observations that could be made from this chart:

- The fluctuating trend in the P/E ratio over the five years suggests that the market's perception of the company's future earnings potential has been somewhat volatile.



- The low P/E ratio in 2018-2019 could indicate that the market was undervaluing the company's stock at that time.
- The high P/E ratio in 2021-2022 could suggest that the market is expecting strong earnings growth from the company in the future.
- Finally, it's important to note that the P/E ratio is just one of many financial metrics that investors consider when evaluating a company's stock. It would be helpful to analyze other metrics, such as the company's revenue growth, earnings growth, and cash flow, to gain a more complete picture of the company's financial health.

Price-to-Earnings (P/E) Ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	1.081666	0.9081	1.265502	1.175088	1.950078



2. Earnings per share: This chart shows the earnings per share (EPS) for a company over a period of five years, from 2017-2018 to 2021-2022. The earnings per share is a financial metric that measures the amount of a company's profit that is allocated to each outstanding share of common stock, calculated as the total earnings divided by the number of outstanding shares. The values in the chart indicate that the company's

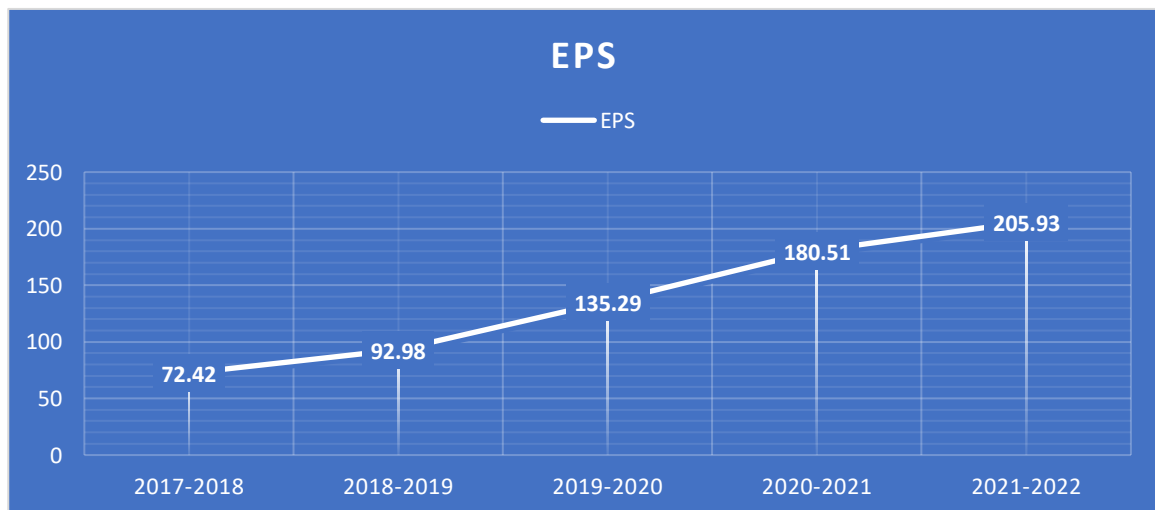


earnings per share have been steadily increasing over time, starting at 72.42 in 2017-2018 and increasing to 205.93 in 2021-2022.

Here are some observations that could be made from this chart:

- The increasing trend in the earnings per share over the five years suggests that the company has been profitable and that it has been able to generate more earnings per share over time.
- The large increase in earnings per share from 2019-2020 to 2020-2021 indicates that the company experienced significant growth in profit during that period.
- Finally, it's important to note that earnings per share are just one of many financial metrics that investors consider when evaluating a company's stock. It would be helpful to analyze other metrics, such as the company's revenue growth, cash flow, and return on equity, to gain a more complete picture of the company's financial health.

Earnings per share	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	72.42	92.98	135.29	180.51	205.93



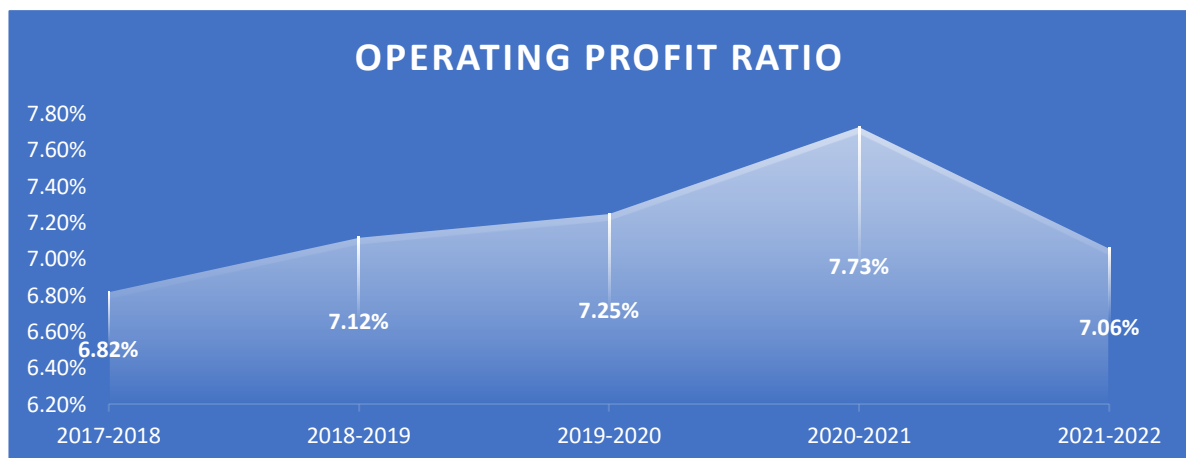


3. Operating profit ratio: This chart shows the operating profit ratio for Jalalabad Gas Transmission & Distribution System Ltd over a period of five years, from 2017-2018 to 2021-2022. The operating profit ratio is a financial metric that measures the percentage of a company's revenue that is left over after deducting operating expenses and is calculated by dividing the operating profit by the total revenue.

Here are some observations that could be made from this chart:

- The values in the chart indicate that the company's operating profit ratio has been relatively stable over the five years, with a low of 6.82% in 2017-2018 and a high of 7.73% in 2020-2021.
- The operating profit ratio provides insight into how efficient the company is at managing its operating expenses. A higher operating profit ratio indicates that the company can generate more profit from its revenue, which is generally seen as a positive indicator of the company's financial health.
- However, it is important to consider other financial metrics as well, such as the company's debt levels, cash flow, and return on equity, to gain a more complete picture of the company's financial health.

Operating profit ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	6.82%	7.12%	7.25%	7.73%	7.06%



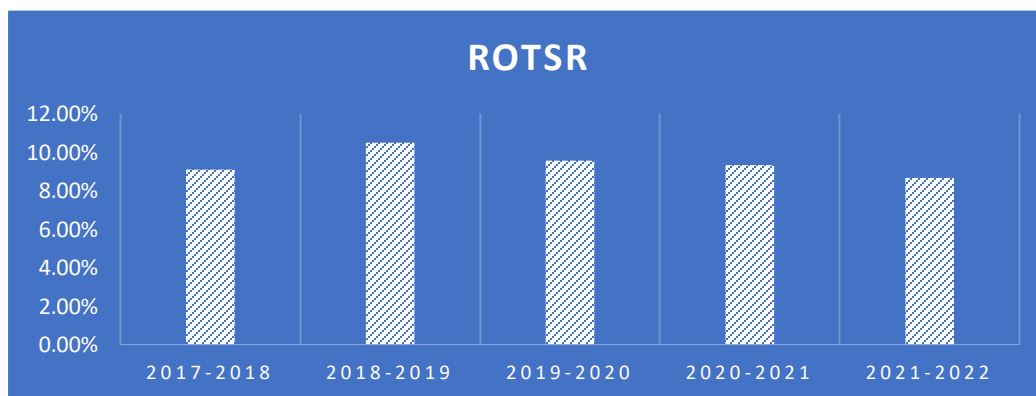


4. Return on total sales revenue: Based on the values in the chart, it appears that the return on total sales revenue for Jalalabad Gas Transmission & Distribution System Ltd has been relatively consistent over the five years, ranging from a low of 8.68% in 2021-2022 to a high of 10.51% in 2018-2019.

The return on total sales revenue is a financial metric that measures the profitability of a company's sales activities and is calculated by dividing the company's net income by its total revenue. A higher return on total sales revenue indicates that the company is generating more profit from its sales, which is generally seen as a positive indicator of the company's financial health.

However, it's important to consider other financial metrics as well, such as the company's debt levels, cash flow, and return on equity, to gain a more complete picture of the company's financial performance. This can provide further context for the company's financial performance.

	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Return on total sales revenue	9.10%	10.51%	9.55%	9.33%	8.68%





5. Time interest earned ratio: The Time Interest Earned Ratio measures a company's ability to pay its interest expenses on its debt with its operating income. A higher ratio is generally considered a positive sign, as it indicates that the company has a greater ability to service its debt. The chart provided shows the Time Interest Earned Ratio for Jalalabad Gas Transmission & Distribution System Ltd for the years 2018 to 2022.

The values in the chart demonstrate an increasing trend for the Time Interest Earned Ratio, which indicates that the company's ability to meet its interest payments on its debt has been improving over time. This trend suggests that the company's financial health is improving, and it is becoming more capable of servicing its debt obligations. Therefore, it can be inferred that Jalalabad Gas Transmission & Distribution System Ltd is moving towards a more financially stable position.

Time interest earned ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	9.12	8.92	9.09	7.63	8.23

6. Debt-service coverage ratio: The Debt-service coverage ratio (DSCR) is a financial metric that measures a company's ability to cover its debt service payments, which include both principal and interest, with its operating income. The values in this chart represent the DSCR for Jalalabad Gas Transmission & Distribution System Ltd over the years 2017-2018 to 2021-2022.

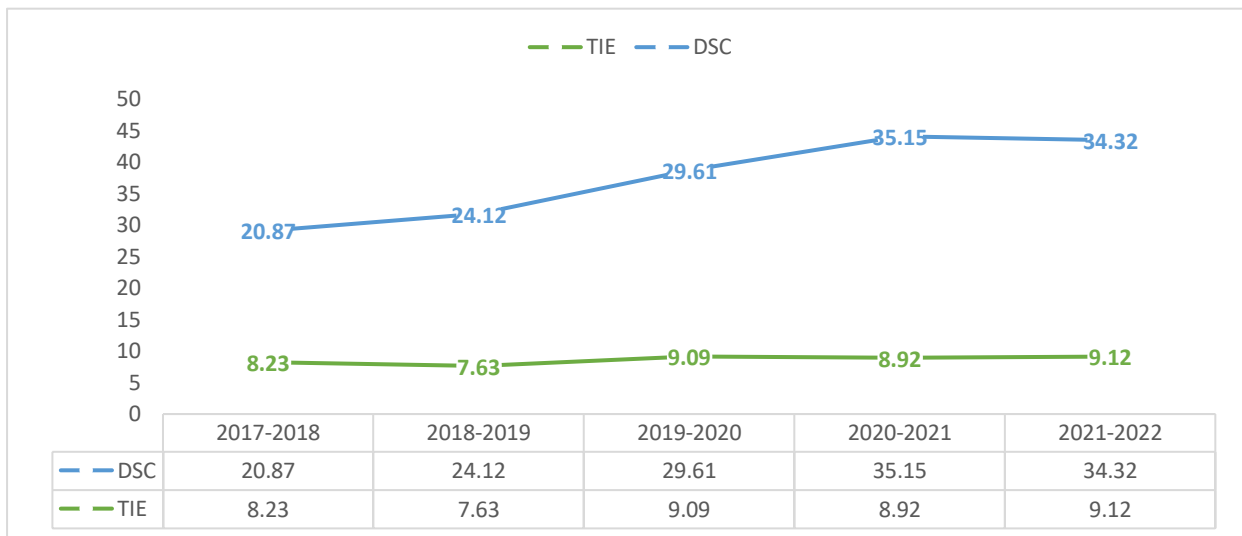
The DSCR is an important metric for lenders and investors because it indicates a company's ability to service its debt obligations. A DSCR of 1.0 or higher indicates that a company is generating enough operating income to cover its debt service payments, while a DSCR below 1.0 suggests that a company may have difficulty meeting its debt obligations.





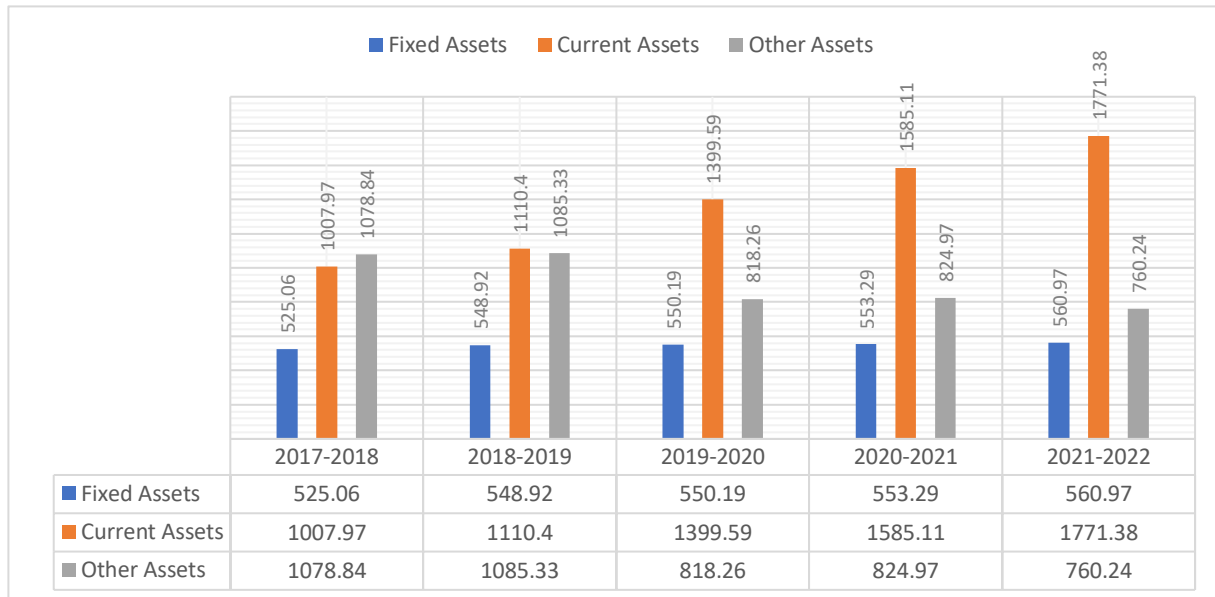
In the case of Jalalabad Gas Transmission & Distribution System Ltd, the DSCR has been increasing over time, which suggests that the company's ability to cover its debt service payments with its operating income has been improving. This is a positive trend and could make the company more attractive to lenders and investors.

Debt-service coverage ratio	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
	20.87	24.12	29.61	35.15	34.32





- Assets



This chart presents the assets performance of a company over five years, from the fiscal year 2017-2018 to the fiscal year 2021-2022. The chart provides information on the company's fixed assets, current assets, and other assets.

**Fixed Assets:** The "Fixed Assets" column reflects the company's long-term investments, such as property, equipment, and machinery. The chart shows that the company's fixed assets have consistently increased over the five years, reaching their highest point at 560.97 in the fiscal year 2021-2022. This suggests that the company has been successful in investing in its long-term operations and growth.

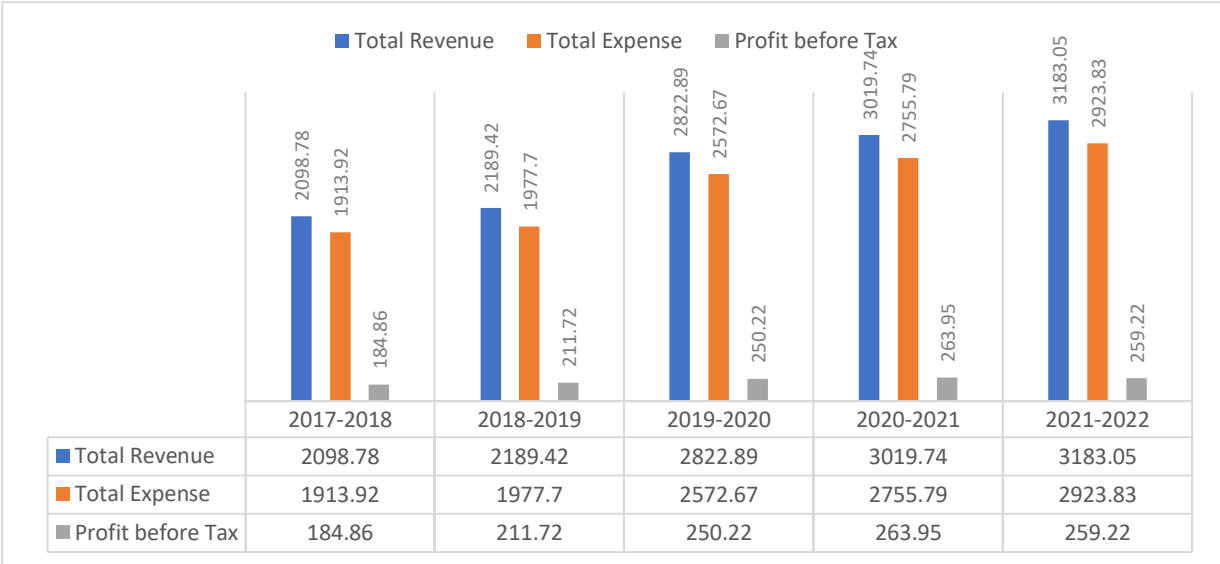
**Current Assets:** The "Current Assets" column reflects the company's short-term assets, such as cash, accounts receivable, and inventory. The chart shows that the company's current assets have consistently increased over the five years, reaching their highest point at 1771.38 in the fiscal year 2021-2022. This indicates that the company has been successful in managing its short-term liquidity and cash flow.



Other Assets: The "Other Assets" column represents assets that do not fit into either the fixed assets or current assets categories. The chart shows that the company's other assets have been relatively consistent over the five years, with fluctuations from year to year.

In conclusion, the chart provides an overview of the company's asset performance over the five years, indicating the company's ability to invest in its long-term operations and growth, as well as manage its short-term liquidity and cash flow.

- Revenue, Expense & Profit before Tax



The chart provides an overview of the financial performance of a company over five years, from the fiscal year 2017-2018 to the fiscal year 2021-2022. An analysis of the chart suggests that the company has performed well financially over this period, with several key indicators pointing to a stable and growing business.

Revenue: The company has consistently generated increasing revenue over the five years, with the total revenue growing from 2098.78 in the fiscal year 2017-2018 to 3183.05 in the fiscal year



2021-2022. This suggests that the company has been able to grow its operations and expand its customer base over the years.

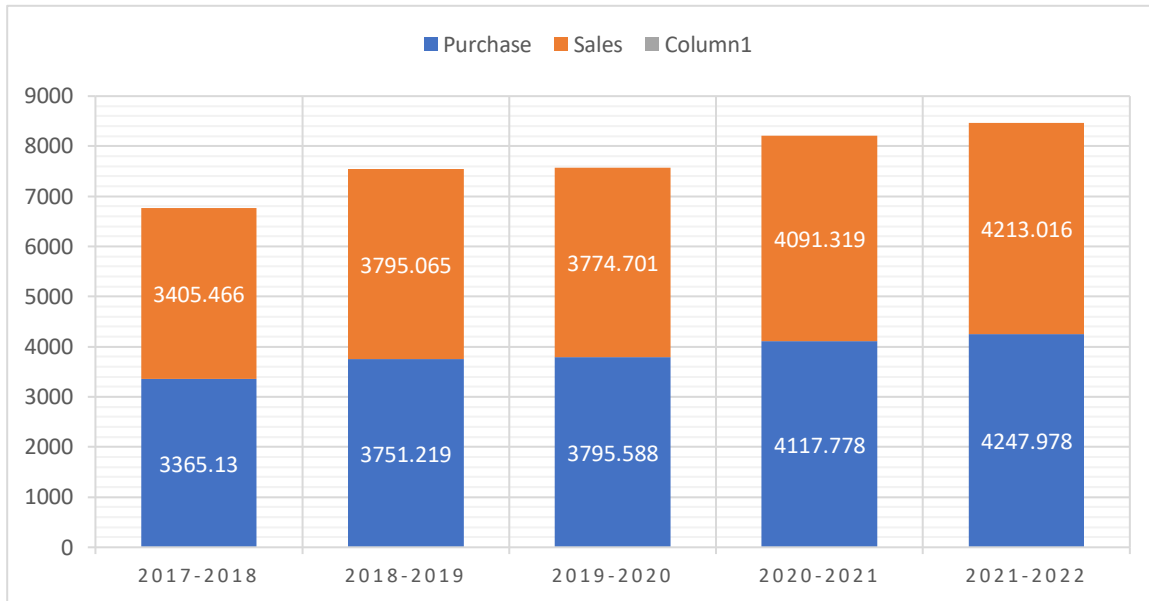
**Profitability:** The company has generated a positive profit before tax in every fiscal year, with the profit margins ranging from 184.86 in the fiscal year 2017-2018 to 263.95 in the fiscal year 2020-2021. This indicates that the company has been successful in generating a return on its operations and that its costs have been effectively managed.

**Expense management:** Although the company's total expenses have increased over the five years, they have increased at a slower rate than the company's revenue. This suggests that the company has been successful in controlling its costs and maximizing its profitability.

In conclusion, the chart indicates that the company has performed well financially over the five years, with increasing revenue, positive profitability, and effective expense management. These are all positive indicators of a stable and growing business.



- Purchase & Sales:



The chart provides an overview of the sales and purchase performance of a company over five years, from the fiscal year 2017-2018 to the fiscal year 2021-2022. An analysis of the chart suggests that the company has performed well in both its sales and purchasing activities over this period.

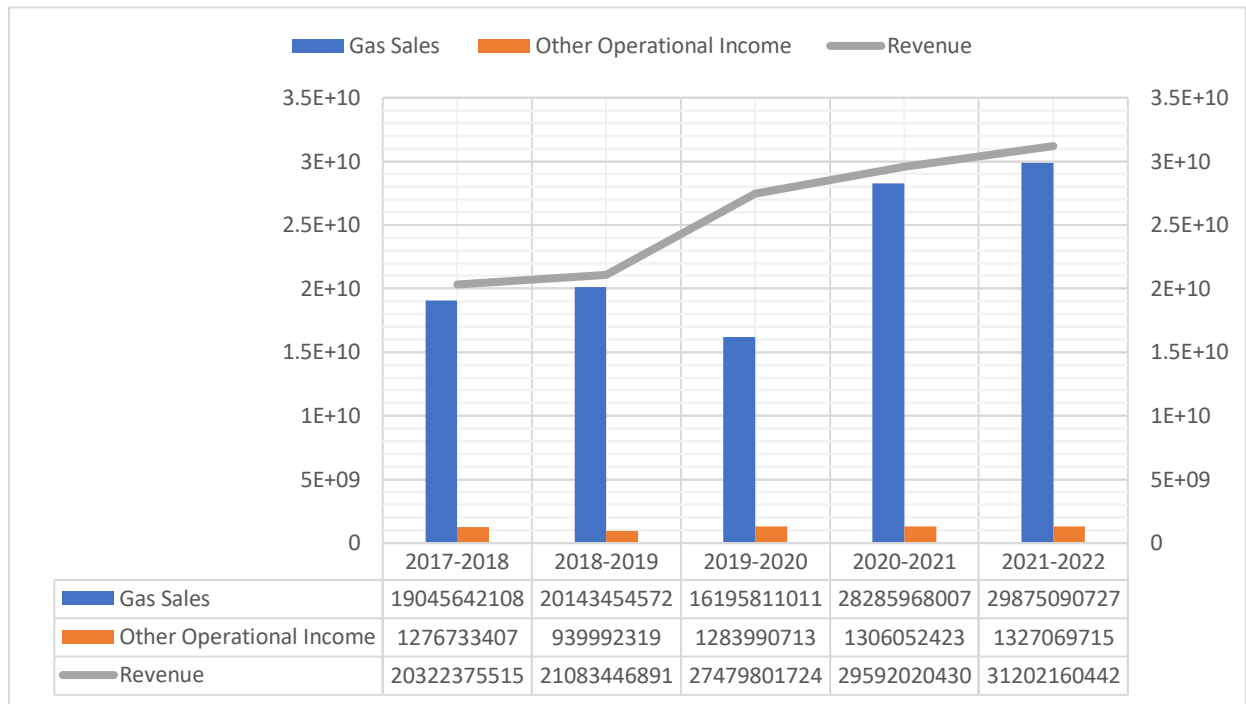
**Sales:** The company has consistently generated increasing sales over the five years, with the total sales growing from 3365.13 in the fiscal year 2017-2018 to 4213.016 in the fiscal year 2021-2022. This suggests that the company has been successful in growing its customer base and expanding its market reach.

**Purchase:** The company's purchase expenses have also consistently increased over the five years, reaching their highest point at 4247.978 in the fiscal year 2021-2022. This indicates that the company has been successful in expanding its operations and acquiring more goods for resale.

In conclusion, the chart indicates that the company has performed well in both its sales and purchasing activities over the five years, with increasing sales and growing purchase expenses. These are positive indicators of a growing and expanding business.



- Revenue



The chart presents the financial performance of a company over five-year period, starting from the fiscal year 2017-2018 and ending in the fiscal year 2021-2022. The revenue of the company is depicted in the final column labeled "Revenue". The revenue is comprised of two sources, "Gas Sales" and "Other Operational Income".

The "Gas Sales" component is the primary contributor to the company's overall revenue, consistently representing a significant portion of the total revenue in each fiscal year. On the other hand, "Other Operational Income" is a smaller, but still notable, contributor to the company's total revenue.

From the chart, it is evident that the company's total revenue has shown an upward trend from the fiscal year 2017-2018 to 2020-2021, reaching its peak at 29,592,020,430 in 2020-2021. However, there was a slight dip in the total revenue in the fiscal year 2021-2022, but it remained at a high level of 31,202,160,442.

In conclusion, the chart provides a comprehensive overview of the company's revenue performance over the five-year period, indicating the company's growth and financial stability.

# Jalalabad Gas Transmission & Distribution System Limited

## List of Investment in FDR

As of 30 June 2022

### Government Bank

Name of Banks	Balance During the Year 2021-2022
Janata Bank Ltd	1,769,801,131.00
Bangladesh Krishi Bank	663,178,891.00
Agrani Bank Ltd	637,438,325.00
Investment Corporation of Bangladesh	656,637,439.00
Rupali bank Ltd	261,171,577.00
Basic Bank Ltd	72,490,000.00
<b>Total government banks FDR</b>	<b>4,060,717,363.00</b>

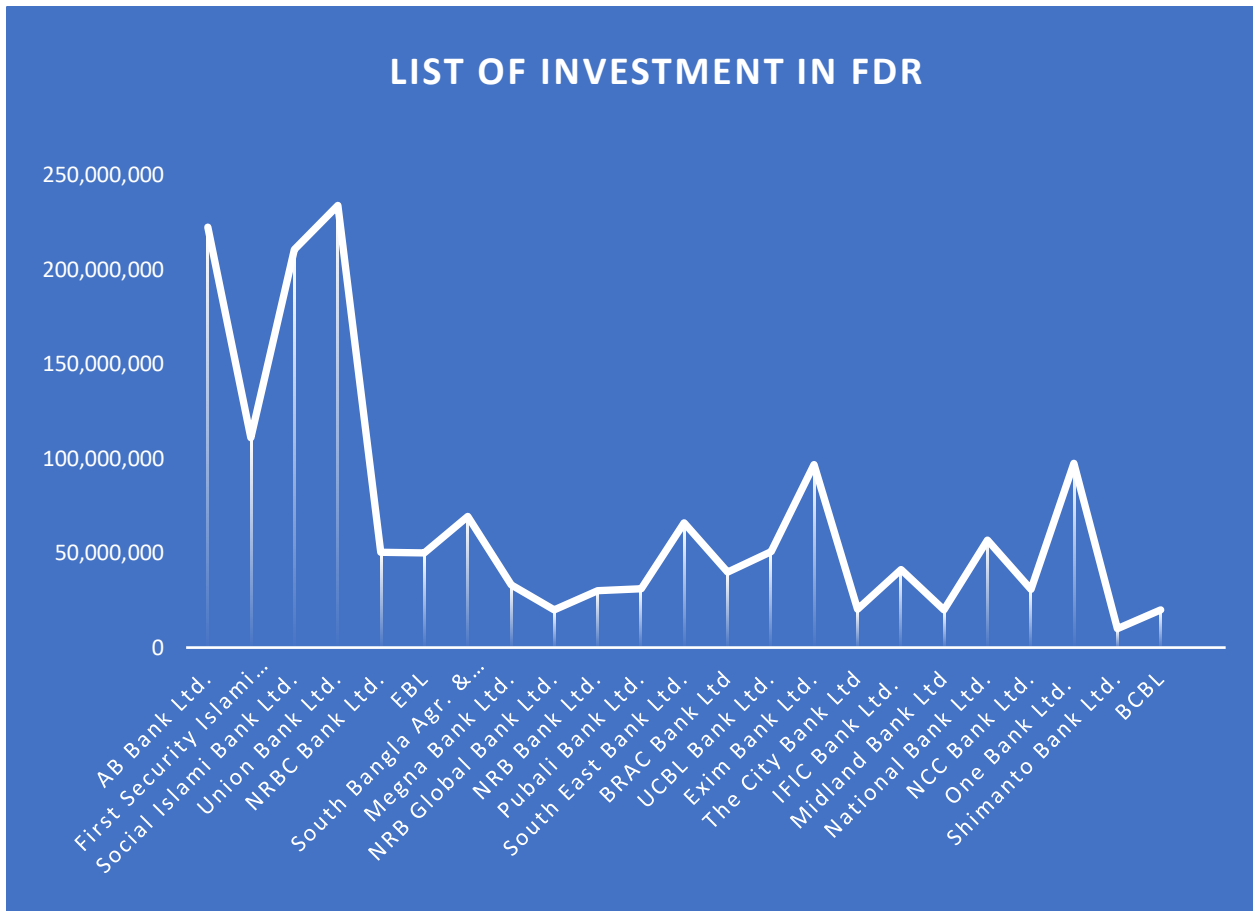
### Non-Government Bank

Name of Banks	Balance During the Year 2021-2022
AB Bank Ltd.	222,674,581
First Security Islami Bank Ltd	111,012,943
Social Islami Bank Ltd.	210,655,954
Union Bank Ltd.	234,034,146
NRBC Bank Ltd.	50,537,000
EBL	50,000,000



South Bangla Agr. & Commerce Bank Ltd.	69,412,181
Megna Bank Ltd.	33,178,688
NRB Global Bank Ltd.	20,000,000
NRB Bank Ltd.	30,000,000
Pubali Bank Ltd.	31,080,000
South East Bank Ltd.	66,005,674
BRAC Bank Ltd	40,000,000
UCBL Bank Ltd.	50,680,000
Exim Bank Ltd.	96,796,524
The City Bank Ltd	20,200,000
IFIC Bank Ltd.	41,125,000
Midland Bank Ltd	20,000,000
National Bank Ltd.	56,965,000
NCC Bank Ltd.	30,630,000
One Bank Ltd.	97,415,460
Shimanto Bank Ltd.	10,000,000
BCBL	20,000,000
Total non-government banks FDR	1,612,403,151
Total FDR	5,673,120,514.00





This chart presents a list of investments made by Jalalabad Gas Transmission & Distribution System Limited in fixed deposit receipts (FDRs) as of June 30, 2022. It shows the total balance invested in government and non-government banks. The investment made in government banks amounts to BDT 4,060,717,363.00 and in non-government banks, the investment is BDT 1,612,403,151. The chart also mentions the name of individual banks and the balance invested in them during the year 2021-2022.



*Chapter-7*  
*Task Completed During Internship Program*



## **6.1 Nature of the Internship:**

Working as an intern at Jalalabad Gas Transmission & Distribution System Limited (JGTDSL) was a valuable opportunity to gain hands-on experience and insights into the organization. I started my internship on November 1st, 2022, and it proved to be a key moment in my professional journey. Throughout my internship, I had the chance to observe and participate in the daily operations of JGTDSL, which enabled me to understand the role and responsibilities of various corporate departments. This internship provided me with a comprehensive understanding of how JGTDSL serves its stakeholders and the public effectively.

## **6.2 Responsibilities completed during the internship:**

During my internship, I was allowed to work in the Budget, Bank, and Cash departments. Where I executed a variety of tasks, including:

- posting of cash vouchers;
- journal voucher posting;
- posting of fund collections;
- transferring of funds;
- calculation of interest;
- reconciliation of accounts;
- administration of the budgeting process;
- creation of vouchers;
- FDR &
- Banking activities.



## *Chapter: 8*

### *Findings, Recommendations, and Conclusion*



## 7.1 Findings:

The findings section of the report on analyzing the financial activities of Jalalabad Gas Transmission & Distribution System Limited (JGTDSL) highlights the following points:

- **Current Ratio:** JGTDSL has recorded a current ratio below the acceptable industry benchmark of 2:1 consistently from 2017-2022, which indicates a potential risk of liquidity issues shortly. While the company's current ratio improved in the most recent year, it remains below the desirable benchmark.
- **Quick Ratio:** JGTDSL's quick ratio has also consistently fallen short of the industry average of 1:1 from 2017-2022, indicating potential difficulty in meeting short-term obligations. Although there has been some improvement in the recent year, the quick ratio remains below the average.
- **Debt-Equity Ratio:** JGTDSL's debt-equity ratio has consistently remained below the typical level of 2.33 from 2017-2022. This indicates that the company is not heavily reliant on debt to finance its operations, which is a positive sign for its financial stability.
- **Profitability Ratios:** The net profit margin has declined over the years, with a high of 137.1393% in 2017-2018 and a low of 103.5176% in 2021-2022. The return on assets and return on equity have shown fluctuations over the years, with a high of 0.062 in 2020-2021 for return on assets and 0.0381 in 2020-2021 for return on equity.
- **Return on Capital Employed:** JGTDSL's return on capital employed has been consistently below the standard benchmark of 15%-20% from 2017-2022, indicating that the company may not be generating optimal returns on its investments, and further efforts may be required to improve profitability.
- **Valuation Ratios:** The price-to-earnings ratio has increased over the years, with a high of 1.950078 in 2021-2022 and a low of 0.9081 in 2018-2019. The earnings per share have increased over the years, with a high of 205.93 in 2021-2022 and a low of 72.42 in 2017-2018.



- **Operating Ratios:** The operating profit ratio has remained relatively stable, with a high of 7.73% in 2020-2021 and a low of 6.82% in 2017-2018.
- **The Time Interest Earned (TIE) ratio** has shown a fluctuating trend over the past five years. In 2020, the ratio was the highest at 9.09, indicating that the company has a comfortable buffer to meet its interest expenses. However, in 2021, the ratio decreased to 7.63, indicating a lower capacity to cover interest payments. In 2022, the ratio increased to 8.23, but it remains lower than the ratio in 2020. Overall, the TIE ratio suggests that the company's ability to cover its interest expenses has been volatile over the past five years, and further analysis is needed to determine the underlying reasons for these fluctuations.
- **Return on Total Sales Revenue:** JGTDSL's return on total sales revenue has been consistently below the standard benchmark of 10%-20% from 2017-2022, indicating that the company may not be maximizing its revenue potential, and additional measures may be necessary to improve performance.
- **Debt-Service Coverage Ratio:** JGTDSL's debt-service coverage ratio has consistently remained above the standard benchmark of 1-2 times from 2017-2022, indicating that the company has been able to meet its debt obligations comfortably.

Overall, JGTDSL's financial performance analysis highlights areas where the company may need to focus its efforts to improve its financial health and performance. Specifically, the company may need to improve its liquidity ratios, increase returns on capital and revenue, and maintain its ability to meet debt obligations. By addressing these areas, JGTDSL can improve its financial stability and position itself for long-term success.



### 7.1.1 SWOT analysis:

SWOT analysis is a strategic planning method used to assess the project's or business venture's strengths, weaknesses, opportunities, and threats. It entails recognizing internal elements that are favorable and unfavorable to achieving the goals. The goal of the SWOT analysis is to identify the important internal (Strengths, Weaknesses) and external (Opportunities, Threats) variables that are controllable. The project's SWOT analysis is shown below.

- **Strengths:**

1. **Increasing Current Ratio:** The Current Ratio has increased from 0.93:1 in 2017-2018 to 1.24:1 in 2020-2021, indicating that the company can meet its short-term obligations.
2. **Improving Quick Ratio:** The Quick Ratio has improved from 0.46:1 in 2017-2018 to 0.55:1 in 2020-2021, indicating that the company has sufficient liquidity to meet its short-term obligations.
3. **Decreasing Debt-Equity Ratio:** The Debt-Equity Ratio has decreased from 0.0752 in 2017-2018 to 0.0416 in 2020-2021, indicating that the company is relying less on debt to finance its operations and becoming more financially stable.
4. **Stable Net Profit Margin:** The Net Profit Margin has been consistently around 100 in the last 5 years, indicating that the company is operating efficiently and generating consistent profits.
5. **Improving Return on Assets:** The Return on Assets has increased from 0.0249 in 2017-2018 to 0.062 in 2020-2021, indicating that the company is becoming more efficient in generating profits from its assets.
6. **Growing Total Revenue:** The Total Revenue has increased from 2098.78 in 2017-2018 to 3183.05 in 2021-2022, indicating that the company is growing its revenue and expanding its operations.
7. **High Gas Sales:** Gas Sales have been consistently high, accounting for the majority of the company's revenue, indicating that it is a key contributor to the company's growth.



- **Weaknesses:**

1. **Decreasing Return on Equity:** The Return on Equity has decreased from 0.0249 in 2017-2018 to 0.0220 in 2021-2022, indicating that the company's shareholders are receiving lower returns on their investments.
2. **Decreasing Return on Capital Employed:** The Return on Capital Employed has decreased from 12.07% in 2017-2018 to 8.38% in 2021-2022, indicating that the company is becoming less efficient in utilizing its capital.
3. **Low Other Operational Income:** Other Operational Income has been consistently low, accounting for only a small portion of the company's revenue, indicating that the company is not exploring other revenue streams.

- **Opportunities:**

1. **Expansion into other markets:** The growing Total Revenue and increasing Gas Sales suggest that the company has the potential to expand its operations into new markets and increase its revenue.
2. **Diversification of income sources:** The low contribution of Other Operational Income suggests that the company has the opportunity to diversify its income sources and reduce its dependence on a single revenue stream.





- **Threats:**

1. Competition: The company operates in a highly competitive market, and there is a risk that competition from other companies may reduce its market share and impact its revenue.
2. Economic conditions: Economic conditions such as recessions and market fluctuations may negatively impact the company's revenue and profitability.
3. Regulatory changes: Changes in regulations and policies may increase the company's operational costs and impact its profitability.

Based on the SWOT analysis, it can be recommended that JGTDSL should focus on improving its Return on Equity, diversifying its income sources, and expanding its operations into new markets to maintain its growth and stability. The company should also keep an eye on the competition, economic conditions, and regulatory changes, and adopt strategies to mitigate their potential impact.

## **7.2 Recommendation:**

Based on the financial analysis of Jalalabad Gas Transmission & Distribution System Limited (JGTDSL), the company has shown some positive trends in its financial ratios over the years.

- The debt-equity ratio and debt-asset ratio have decreased, indicating that the company has reduced its reliance on debt financing.
- However, the analysis also highlights some areas where JGTDSL needs to focus its attention. The net profit margin has declined over the years, indicating that the company is not generating as much profit as it once did.
- Similarly, the return on assets and return on equity have fluctuated over the years, with a generally declining trend. These ratios indicate that the company is not generating as much profit as it should from its assets and investments.



- Moreover, while the operating profit ratio has remained relatively stable, the return on total sales revenue has declined over the years. This ratio suggests that JGTDSL needs to focus on improving its revenue generation to increase profitability.
- Additionally, the analysis reveals that the price-to-earnings ratio has increased over the years. This ratio indicates that investors are willing to pay more for the company's stock relative to its earnings. However, JGTDSL needs to ensure that its earnings growth justifies the increase in its stock price.
- Based on these findings, it is recommended that JGTDSL should focus on improving its profitability and revenue generation while maintaining its ability to meet its debt obligations. The company may need to review its pricing strategy and operational activities to achieve these goals.
- The Time Interest Earned Ratio of JDTDSL has a healthy ability to meet its interest obligations. The company should consider diversifying its sources of financing to reduce the reliance on debt and minimize the risk of default in case of unfavorable market conditions.
- Additionally, JGTDSL could explore new revenue streams to diversify its income sources and increase profitability. By addressing these areas of concern, JGTDSL could strengthen its financial position and achieve sustainable growth.

By implementing these recommendations, JGTDSL can improve its financial stability and performance, positioning itself for long-term success in the gas transmission and distribution industry.



### **7.3 Conclusion:**

From the preceding description, it is evident that the whole system has evolved through time and currently takes the form of a concert. The authorities have taken steps to update the system. Natural gas demand is expanding from all sectors of society daily. As a result, there is a significant need for transmission and distribution systems to transport and distribute gas from natural sources to meet demand, and Jalalabad Gas T & D System Ltd. plays an important part in this. Because JGTDSL is state-owned, it has a monopoly in the Sylhet divisional region. Every fiscal year, the corporation increases its profit and its contribution to the public exchequer, while also increasing its total capital employed. The Finance and Accounts department of Jalalabad Gas Transmission & Distribution System Limited is responsible for planning investments in short-term FDRs, managing the collection of revenue from different companies and projects, issuing cheques for customers and various expenses, monitoring cash inflows and outflows, creating budgets for internal expenses, maintaining a ledger for store transactions, and preparing necessary financial statements.

Throughout the report, I attempted to introduce Jalalabad Gas Transmission and Distribution System Ltd. and JGTDSL's overall operations. I used my academic understanding to work on this report. It was a privilege for me to work as an intern for a reputable firm such as Jalalabad Gas Transmission and Distribution System Ltd. Finally, I believe this study will aid in understanding the Jalalabad Gas Transmission and Distribution Structure Ltd. and its financial system.



## *Chapter: 9*

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