

Sonargaon University (SU)

147/I, Green Road, Panthapath, Dhaka

Thesis Paper

On

"Overall Financial Performance Analysis of Titas Gas Transmission and Distribution Company Limited"

Sonargaon University (SU)

Thesis Paper

on

"Financial Statement Analysis of Titas Gas Transmission and Distribution Company Limited"

Submitted To:

Abul Kalam
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Department of Business Administration,
Sonargaon University (SU)

Submitted By:

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To
Abul Kalam
Associate Professor
Sonargaon University
147/I, Green Road, Panthopath, Dhaka.

Dear Sir,

It is my pleasure to submit the thesis paper on ***"Overall Financial Performance Analysis of Titas Gas Transmission and Distribution Company Limited"***. So I prepared thesis paper about **"*Overall Financial Performance Analysis of Titas Gas Transmission and Distribution Company Limited*"** as a partial requirement for fulfillment of Masters of Business Administration (MBA).

I have collected primary & secondary data from the respected related respondents & finally analyzed the information to prepare this Thesis paper to place before you for your kind approval.

I have employed my best efforts to achieve the objectives the study & hope that our endeavor will serve this purpose.
Thanking you,

Sincerely yours

Md. Jahirul Islam

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EXECUTIVE SUMMERY

An organization may have excellent marketing, efficient human resources, but at the end of the day, it is the financial bottom line that will speak about the overall efficiency. Here an effort has been made to evaluate performance of Titas Gas T & D Co. Ltd. for the last five years. I decided to work in this important and interesting area. Since the inception of the organization, Titas Gas T & D Co. Ltd. has achieved tremendous success in its operation of business. The study also shows the company's increasing profitability and success in other area.

Titas Gas T & D Co. Ltd. (TGTDCL) was formed in November 1964 as a joint Stock Company (Under the Company's Act 1913) of the central Government of Pakistan. The authorized capital was Taka 17.8 million only. First Gas Supply April 28, 1968 to Siddhirganj Thermal Power Station. Paid up Capital (June 30, 2020) TK. 942.12 crore. Number of Customers (June 30, 2020): Total 15,35,592. As the data of 2020 their manpower was 2446. Their main Source of Gas supply (Fields) Titas, Habiganj, Narsingdi, Kailashtila, Jalalabad, BibiyanaMoulvi Bazar, Rashidpur, Bianibazar&Bangura Gas Fields.

The inception of the organization, Titas Gas T & D Co. Ltd. has achieved tremendous success in its operation of business. The study also shows the company's increasing profitability and success in other area. During 2009-10 Market share of four company under Petrobangla the Titas Gas Transmission and Distribution Company Ltd. (TGTDCL) is in better position. From the ratio analysis I try to find the company's overall financial positions, which analysis is very useful for an investor. From this analysis I find out the company's activities ratio, Liquidity ratio, Short- term & long-term investment and solvency ratio and profitability ratio, by which i can easily see the overall performance of the company.

1. INTRODUCTION

Our country has many types of natural resources. Natural Gas is one of the most important of natural resources. Our country has huge natural gas.

Bangladesh natural gas production began in 1960 from the Chattak Filed. There is much uncertainty and debate about the level of natural gas reserves in Bangladesh. Estimates from Petro Bangla put net proven reserves at 15.3 Tef as of mid-2004.

Petro Bangla has approximately 20 natural gas fields nationwide, half of which are active. The main fields include

- Bibiyana (discovered by Unocal in Block)
- Titas (Second largest natural gas field in the countries)
- Habiganj
- Kailastilla
- Rashipur
- Jalalabad
- Sangs off shore natural gas field.

Other possible natural gas field includes Shaldanadi, Ferchuganj, Feni, Kumta and Shahbajpur.

- Unocol announced in March 2003 that it would begin development of the Moulavi Bazar field in Block 14.
- Shahbazpur, discovered by petrobangla subsidiary Bapex in 1995, is estimated to contain 330-400 of recoverable natural gas.

1.1 Background of the Study

Thesis paper is the pre-requisition for the courses. Class room discussion alone cannot make a student perfect in handling the real scenario of financial performance analysis of a company. Therefore, it is an opportunity to me to know about the real scenario of financial performance analysis of a company through this program. The main purpose of this thesis paper becomes very clear from the topic of this thesis paper. The thesis paper discusses about the overall financial performance analysis and its position.

I am the students of MBA program. Therefore, I prepared thesis paper on about "Overall financial performance analysis of Titas Gas Transmission and Distribution Company Limited". As a partial requirement for fulfillment of Masters of Business Administration (MBA) is that I have collected primary & secondary data from the respected related respondents & finally analyzed the information.

I have to do innovation my potentiality to develop my skill in various sources such as Report making, preparing financial performance of different kinds of organization. It is our academic part to prepare a Thesis paper on "Overall financial performance analysis of Titas Gas Transmission and Distribution Company Limited" that's why I prepared it.

1.2 Importance of the Study

An organization, large or small, profit or service oriented, whatever it is, the ultimate aim is to achieve organizational goal. The achievement can only be possible with proper planning and perform accordingly. In order to make a proper plan, once has to know the present and past financial conditions of the organization.

1.3 Origin of the Thesis Paper

Today, practical experience is as much essential as academic education that enables someone to be successful business executive especially in the Glover competitive business environment. In order to gather knowledge and exposure regarding the organization culture,

1.4 Objective of the Study

- To know the Overall financial performance of Titas Gas Transmission and Distribution Company Limited for last five years from 2016 to 2020;
- To identify the reason that is major barrier to improve in this sector;
- To know the business insight from financial performance analysis;
- To forecast the future performance and cash flow;
- To find the weakness associated with the management of assets and liabilities of the company;
- Finally comment on the result from investor and creditor's point of view.

1.5 Scope of the Study

The Thesis paper intends to assess the position of overall power sector in Bangladesh, with special reference to Titas Gas Transmission and Distribution Company Limited.

This Thesis paper is prepared with a view to provide a brief but complete idea about Titas Gas Transmission and Distribution Company Limited. For this purpose data collected from primary and secondary sources. They readers also understand the different marketing situations, economic situation, social condition etc. about Titas Gas Transmission and Distribution Company Limited.

1.6 Limitations of the Study

- I have analyzed the financial trend of Titas Gas Transmission and Distribution Company Limited for the last five years;
- The depreciation schedule and CAPEX calculation was done throw the valuation program with may contains improper assumption;
- All the comments made and suggestion for possible improvement provide are purely based on my level of understanding, knowledge and my way of interpreting a particular statement;
- Restriction on internal information availability by the authority of Titas Gas Transmission and Distribution Company Limited has to be following up;
- For confidential reason or secrecy of management of Titas Gas Transmission and Distribution Company Limited, it is not possible for me to collect some valuable data for the project.
- Time constraint is a major limitation of this report

1.7 Methodology

The data will be collected from secondary sources. As a part of the secondary source, some of the relevant data will be collected from different sources like various issues of law, annual report, Newspaper etc. Some online information will be used from different website. It is the systematic collection of information directly from different sources. Several sources of data collection are used to make this Thesis paper.

1.7.1 Sample Design

Five years data was taken for analysis.

1.7.2 Data Collection and its Sources

Primary sources of data

- Oral interview of the responsible officers.
- Officers records of Titas Gas Transmission and Distribution Company Limited.
- Face to face conversation with customer.

Secondary sources of data

- Annual report
- Appraisal report.
- Monthly Reviews of DSE and Internet;
- Relevant papers and different books.
- The resume of financials.
- Manual of different departments.
- According to web sites.

1.8 Report Design

The Thesis paper discusses about the overall financial performance analysis of Titas Gas Transmission and Distribution Company Limited. These Thesis paper is describe with introduction, background of the study, objectives of the study, methodology (Primary and secondary data), data collection method, type of study, limitation of the study. Especially this Thesis paper is related the financial position of that company, ratio analysis etc.

2. BACKGROUND OF NATURAL GAS IN BANGLADESH

Bangladesh covers a land area of 55,800 square miles and hosts a population of 131 million, which has grown at 2% a year between 1980 and 1999 and is expected to grow at 1.6% a year until 2020. The country remains dependent on agriculture and poverty is a serious issue. In 2001, the GDP consisted of 30% in agriculture, 18% in industry and 52% in services. Since independence in 1971, Bangladesh has made strong progress. Key social indicators such as birth rate, life expectancy, school enrollment, and child immunization have improved remarkably, and poverty has been declining. Its NGOs are very active and provide microcredit and social mobilization to some 8 million poor, mostly women. But with a per capita income of only $923, faster implementation of reforms is essential to unshackle the economy's potential for growth and to make a greater dent in poverty. Following a period of stagnating poverty reduction in the 1980s, the share of the company is very poor fell from 43% of the population in 1991-92 to 36% in 1995-96. Reducing the poverty of the very poor living in rural areas (still at 40% of the rural population) remains a massive challenge. While higher growth rates have contributed to the decline in poverty, rising inequality has reduced the overall rate of poverty reduction. Nevertheless, the declining trend of poverty incidence has continued into the second half of the 1990s. The people have benefited from the general improvement in the country's policy environment in the 1990s, with growth averaging nearly 5% a year between 1990 and 1998, compared to 4% between 1984 and 1990. Economic growth in 2000 was 5.3%, thanks again to bumper agricultural harvests yielding a GDP of $203 billion. Although people also enjoy relatively low inflation (5.8% in 2000 and 9% in 1999), unemployment remains high at more than 35%. Macroeconomic management has historically been a strong point in Bangladesh. However, recently fiscal policy has been on an expansionary path. Overall budget deficit and its domestic financing have been increasing. Bangladesh’s external debt was $17 billion in 2000. Also, the momentum of policy reforms that began in the early 1990s has not been maintained. As a consequence of confrontational politics and weak government commitment to reforms in banking, power, and state-owned enterprises, progress has not been made in improving the performance of the public sector. Bangladesh's manufacturing sector has recently lost some of its dynamism after growing impressively at 7.7% a year between 1990 and 1998, growing only at 3.2% in 1999 and 2000. The slowdown in manufacturing is linked to a higher cost of doing business and loss of competitiveness in

domestic and foreign markets due to increased political instability, intensified power supply bottlenecks, continued weaknesses in financial intermediation, real exchange rate appreciation, slower trade reforms, and increased policy uncertainty. The slowdown in reforms also threatens to dampen foreign direct investment (FDI), which has shown a steady increase, from a mere trickle in the 1980s, to $308 million in 1998-99, before falling by 50% in 2000 to $150 million. The fall-off in large investment expenditures by international oil companies in 1999 accounts for much of this decline.

3. A BRIEF HISTORY OF TGTDCL

The history of the use of Natural Gas as a source of energy and feed-stock in Bangladesh dates back to early sixty's. Haripur Gas Field, discovered in Sylhet district in the year 1955, cameinto commercial production in 1961 with the supply of gas to Natural Gas Fertilizer Factory (NGFL) at Fenchuganj by 28 miles 8" DN pipeline. The Chatak Gas Field, discovered in 1959 was brought into commercial production with commencement of gas supply to Chatak Cement Factory in 1960 by 12 miles long transmission pipeline.

Titas Gas T & D Co. Ltd. (TGTDCL) was formed in November 1964 as a joint Stock Company (Under the Company's Act 1913) of the central Government of Pakistan on the one hand and Pakistan Shell Oil Company on the other, with a view to transmitting and distributing natural gas to the Dhaka city the then provincial capital of Pakistan from the discovered gas field called "Titas" located on the bank of the River Titas, within the close vicinity of the present Brahmanbaria district of Bangladesh. The authorized capital was Taka 17.8 million only, divided into 17800 shares of Taka 10.00 each. Ninety percent of the shares were subscribed by the then central Government of Pakistan and remaining ten percent by the Shell Oil Company.

The basic objective of the Company was to construct, own and operate natural gas transmission & distribution facilities in the mid-eastern region of Bangladesh i.e. Comilla, Mymensingh and Dhaka district with the right of purchasing, transmission, distribution, sales and disposal of natural gas within the jurisdiction of greater districts before creation of new districts.

In December 1971, after nine months of liberation war, Bangladesh emerged in the world map as a new independent state with the same geographical boundary of the then East Pakistan. Plunged into a state of total economic collapse following the war of liberation, vigorous activities were immediately started at all levels to rebuild the country. Certain national priorities were set by the then Govt. and significant changes were brought about in the management of development activities. A no. of Sector or Corporations were formed and each of them was entrusted with the operation and management of the units under it. In March 26, 1972 Govt. has formed " Bangladesh Oil, Gas & Mineral Corporation (BOGMC) under the Presidential Executive Order and Titas Gas T&D Co. Ltd. has become an enterprise of BOGMC. Titas Gas T&D Co. Ltd. which was earlier established as a joint

stock company with 90% share capital of the Govt. of Pakistan naturally vested to the Govt. of the People's Republic of Bangladesh and the rest 10% share capital of Pakistan Shell Oil Company was transferred to the newly formed Bangladesh Shell Oil Company. During 1975, under the nationalization program, Govt. has brought back 10% share of Shell Oil Co. and Titas Gas T&D Co. Ltd. has become a 100% Government owned Company. Meanwhile, during August1974, Bangladesh Oil & Gas Corporation/Petrobangla and during October 1975, Ministry of Energy & Mineral Resources had been formed. TGTDCL has been placed under the administrative control of the newly formed ministry along with Petrobangla and its subsidiary Companys.

The gas supply area of the Company has been extended to new areas of Greater Dhaka, Greater Mymensingh and Brahmanbaria which includes Dhaka Metropolitan city & suburbs, Tongi, Joydevpur, Gazipur, Mirzapur, Tangail, Savar, Dhamrai, Manikaganj, Aricha, Narayanganj, Sonargaon, Rupganj, Araihazar, Jinjira, Keraniganj, Munshiganj, Mirkadim, Brahmanbaria, Bhairab Bazar, Ashuganj, Narsingdi, Ghorashal, Madhabdi, Sreepur, Mymensingh, Netrokona, Jamalpur, Sherpur, Kishoreganj, Tarakandi, Bhaluka, Trishal & Gaffergaon. Presently, Titas system is receiving gas from Titas, Habiganj, Narsingdi & Bakhrabad Gas Fields under Bangladesh Gas Fields Co. Ltd. and from Rashidpur, Kailashtila, Beanibazar Gas Fields under Sylhet Gas Fields Co. Ltd. and Jalalabad Gas Field of Oxydental/Unicol.

The Company own and operate 735 Km of Transmission pipelines (6"DN thru' 24" DN) and 7585 Km of Distribution & Service lines (3/4"DN thru' 12"DN).

Presently, in Titas System the Daily average offtake of gas is 800 Million Cubic Feet (MMCF) and the yearly Revenue Earnings is Tk. 24,000 million. The Company has so far given gas connection to around 9,73,419 customers (17 Power stations, 4 Fertilizer factories, 2953 Industrial units, 7832 Commercial units, 152 Seasonal units, 55 CNG and 968016 Domestic customers). TGTDCL alone is saving a sum of over Tk.22000.00 Million annually on fuel import bill of the country other than its payment to National Exchequer in the form of Excise Duty, CD/VAT, Corporate Tax and Dividend. At Present, there are 2642 Employees (660 Officers and 1982 Staffs) serving in the Company, among which 205 are foreign trained Graduate Engineers, Economists and Accountants.

Among the four gas marketing Companies the market share of business of TGTDCL is 70 % of which Power, Fertilizer, Industrial, Commercial, Domestic and Seasonal are 48.20 %, 18.97 %, 20.28 %, 1.04 %, 11.56 % and 0.13 % respectively.

The company operates from its own office complex at Titas Bhaban, Kawranbazar C/A, that is in the centrally located business area of Dhaka Metropolitan City. The office is fully furnished with all modern office facilities and logistics. The office is also equipped with security system with modern digital telephone, Fax, SCADA as well as electronic mail.

With the increased shape the authorized and paid-up capital of the Company has increased to Tk. 2000 million and 1507.30 million. “Titas Gas” is now a household name for its uses in the houses, Power plants, Industries, hotels and restaurants. And as raw materials to the Fertilizer factories, it is helping attain autarky in food and other agricultural products.

TGTDCL has, by its own right and merit, earned the reputation as well the capacity to undertake any major project in Gas Engineering, Pipeline Construction, Operation and Maintenance thereof and also in the marketing of gas in the country.

3.1 Mission

To provide end to end solution in gas pipeline construction works with computer aided project management techniques and innovations. To utilize our expertise of pipeline construction and associated works in diversifying our construction activities to various type of construction works.

3.2 Vision

Continuously up-gradation of our technical expertise through developing manpower skills, professionalism and implementing latest technology to increase professionalism and equipment base to set up a classic work culture and remain the leader in the construction industry

3.3 Objective

The main objective of TGTDCL is to supply gas uninterruptedly to Dhaka city and the areas covered by it. The company wants to ensure proper utilization of natural gas. Through its business activities the company is contributing to the Government exchequer.

3.4 Welfare Activities

The Company undertakes various motivational activities to improve human relationship, mutual understanding, interpersonal relationship and loyalty among the officials and employees. The Company extends its welfare activities to the following fields:

- Education: Titas Gas Adarsha Biddyaloy at Demra runs under the management of the company.
- Sports: Titas Club regularly takes part in Bangladesh Volley Ball Federation and in the Premier Volley Ball League in Dhaka Metropolis.
- Others: The Company arranges various social, cultural and religious functions every year.

3.5 Corporate Information

Name of the Company	: Titas Gas Transmission and Distribution Company Limited (TGTDCL)
Date of Incorporation	: November 20,1964
Registered Office	: Titas Gas Bhaban,105 Kazi Nazrul Islam Avenue Kawran Bazar Commercial Area, Dhaka-1215
Corporation	: Bangladesh Oil, Gas & Mineral Corportaion (Petrobangla)
Administrative Ministry	: Ministry of Power, Energy & Mineral Resources
Titas Franchise Area	: Greater Dhaka and Greater Mymensingh
First Constructed Pipeline	: Brahmanbaria to Demra 14" DN X100 PSIG X 58 Miles
First Gas Supply	: April 28, 1968 to Siddhirganj Thermal Power Station
Authorized Capital	: Tk. 2,000.00 crore
Paid up Capital (June 30, 2020)	: TK. 942.12 crore
Gas Sales (FY 2019-20)	: 13,600.96 MMCM
Sales Revenue (FY 2019-20)	: TK. 7,071.15 crore
Payment to the National Exchequer	: TK. 574.62 crore
Number of Customers (June 30, 2020)	: Total 15,35,592
Constructed Pipeline (June 30, 2020)	: 12,207.38 km
Market Share in Sales	: 63 %
Source of Gas supply (Fields)	: Titas, Habiganj, Narsingdi, Kailashtila, Jalalabad, Bibiyana Moulvi Bazar, Rashidpur, Bianibazar & Bangura Gas Fields.
Manpower (As on June 30, 2020)	: 2,446
Officer	: 1,016
Staff	: 1,430
Chief Executive	: Md. Abdul Aziz Khan
Listed with DSE	: June 9, 2008
Listed with CSE	: June 19, 2008

3.6 TITAS Franchise Area



4. STATEMENT OF COMPREHENSIVE INCOME

Titas Gas Transmission And Distribution Company LTD.

Statement of comprehensive Income

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Sales revenue:					
a) Gas sales revenue	44,101,671,651	52,305,975,343	63,794,886,857	67,813,682,167	70,711,515,388
b) Operational income	598,194,857	597,154,079	762,186,024	737,551,685	663,645,406
Total sales revenue	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Cost of sales:					
a)Gas purchase	31,271,489,126	37,824,659,874	44,316,099,846	44,923,394,697	48,370,509,430
b)Gas transmission charge	2,971,699,752	2,815,167,098	3,068,496,479	3,203,203,162	2,826,875,818
c)Price deficit charge	2,742,781,029	3,025,074,585	3,006,879,160	3,703,663,719	3,486,763,900
d)Gas development charge			2,304,385,166	2,763,912,545	4,702,239,962
e)BAPEX margin	238,557,126	214,879,118	215,933,151	259,368,555	215,596,876
f)Deficit wellhead margin for BAPEX		193,417,091	188,760,720	231,868,973	211,095,788
Total cost of goods sold	**37,224,527,033**	**44,073,197,766**	**53,100,554,522**	**55,085,411,651**	**59,813,081,774**
Gross profit	**7,475,339,475**	**8,829,931,656**	**11,456,518,359**	**13,465,822,201**	**11,562,079,020**
Administrative and other expenses:					
a)Personnel costs	687,968,146	753,940,620	997,881,402	1,139,504,122	1,260,780,889
b)Professional services	15,864,926	17,769,010	12,940,262	14,410,183	14,166,008
c)Promotional costs	6,930,763	7,186,042	10,066,994	7,516,728	11,722,314
d)Power costs	19,575,890	17,957,891	21,855,201	22,680,844	22,618,715
e)Communication costs	5,188,050	4,584,128	4,779,693	4,373,612	5,448,327
f)Transport costs	62,051,399	66,757,214	78,601,490	76,879,867	99,713,054
g)Occupancy costs	40,899,952	40,539,608	51,183,163	66,108,983	74,416,213
h)Administrative costs	51,151,190	44,080,687	55,288,952	66,102,645	54,607,523
i)Miscellaneous costs	19,318,922	16,397,588	14,542,297	19,712,324	18,594,177
j)Transmission & distribution costs	26,458,989	49,564,490	34,383,607	42,223,645	83,552,900

k)Financial charges	1,686,835	997,755	1,624,589	2,950,711	2,869,951
l)Bad & doubtful debts provision	379,448,664	404,023,414	436,191,288	476,894,610	486,599,990
m)Depreciation charges	780,466,328	812,599,897	838,758,415	842,817,781	877,539,038
n)Petro Bangla service charge	50,000,000	78,484,000	112,157,000	120,000,000	110,000,000
Total Administrative and other expenses	**2,147,010,054**	**2,314,882,344**	**2,670,254,353**	**2,902,176,055**	**3,122,629,099**
Operating profit	**5,328,329,421**	**6,515,049,312**	**8,786,264,006**	**10,563,646,146**	**8,439,449,921**
Non-operating Income	779,094,657	1,289,028,413	1,659,521,047	2,465,542,188	4,259,777,766
Total Income (EBIT)	**6,107,424,078**	**7,804,077,725**	**10,445,785,053**	**13,029,188,334**	**12,699,227,687**
Interest Cost	162,510,763	109,495,101	92,651,523	81,238,972	86,938,225
Net profit before contribution to WPPF	**5,944,913,315**	**7,694,582,624**	**10,353,133,530**	**12,947,949,362**	**12,612,289,462**
Workers profit participations funds	283,091,110	366,408,696	493,006,359	616,569,017	600,585,213
Net profit before tax (EBT)	**5,661,822,205**	**7,328,173,928**	**9,860,127,171**	**12,331,380,345**	**12,011,704,249**
Provision for income tax:					
a) Current Tax	1,401,300,966	1,813,723,047	2,440,381,475	3,052,016,635	2,972,896,802
b) Deferred Tax	42,308,792	60,987,123	86,688,539	101,886,310	126,684,326
Provision for income tax	**1,443,609,758**	**1,874,710,170**	**2,527,070,014**	**3,153,902,945**	**3,099,581,128**
Net profit for the year	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**

5. STATEMENT OF FINANCIAL POSITION

Titas Gas Transmission And Distribution Company LTD.

Statement of Financial Position

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Assets					
Current Assets:					
Inventories	1,437,013,711	1,831,622,659	1,819,262,670	1,815,003,716	1,725,930,924
Advances, Deposits & Prepayments	1,074,511,147	278,466,615	345,875,633	241,957,523	281,820,964
Trade Receivables	14,176,182,095	13,036,062,383	14,110,569,127	15,253,503,781	14,560,283,010
Cash and cash equivalents	2,011,335,050	5,186,641,404	6,172,201,606	7,987,541,741	6,521,121,770
Other current Assets	111,628,712	632,727,839	802,945,815	1,237,432,839	2,043,179,799
Group Current Account					2,471,097,498
Total Current Assets	**18,810,670,715**	**20,695,520,900**	**23,250,854,851**	**26,535,439,600**	**27,603,433,965**
Non-Current Assets:					
Property Plant & Equipment	11,709,439,966	11,736,788,017	11,275,351,826	11,233,150,323	10,895,991,726
Capital Work-in-Progress	4,013,417	7,828,675	132,520,029	355,806,080	804,921,110
Long Term bank Deposits & Others	5,323,796,241	9,418,422,225	15,150,244,175	20,646,685,483	29,365,523,799
Loan to employees	812,369,605	804,291,710	699,879,119	977,832,025	1,157,574,988
Total Non-Current Assets	**17,849,619,229**	**21,967,330,627**	**27,257,995,149**	**33,213,473,911**	**42,22,401,1623**
Total Assets	**36,660,289,944**	**42,932,851,527**	**50508850000**	**59,748,913,511**	**69,827,445,588**

Liabilities & Equity

Liabilities

Current Liabilities:

Group Company Accounts	9,419,479,728	10,724,952,147	12,169,315,275	14,022,002,686	15,173,122,275
Accruals	3,749,677,985	4,758,738,921	6,297,389,861	6,323,414,446	7,248,607,946
Workers' Profit Participation Fund	281,617,127	364,130,098	494,251,274	617,818,367	602,763,557
Current portion of long term loans	457,806,265	434,078,522	436,272,752	354,693,480	413,223,288
Total current liabilities	**13,908,581,105**	**16,281,899,688**	**19,397,229,162**	**21,317,928,979**	**23,437,717,066**
Non-Current liabilities:					
Loan & other Borrowings	2,690,363,809	2,548,498,483	2,148,717,213	2,088,802,253	1,888,510,414
Retirement Benefit obligations	518,589,554	514,698,992	499,633,657	461,435,829	986,579,644
Leave pay	142,035,812	147,961,763	162,016,097	172,582,370	191,592,887
Gratuity	10,519,758	9,555,546	14,822,756	15,741,539	
General provident fund	334,371,448	380,406,931	418,010,103	449,426,039	
Customers' security deposit	5,362,857,654	6,411,188,060	6,870,603,969	6,996,625,342	7,159,758,543
Total Non-Current liabilities	**9,058,738,035**	**10,012,309,775**	**10,113,803,795**	**10,184,613,372**	**10,226,441,488**
Total Liabilities	**22,967,319,140**	**26,294,209,463**	**29,511,032,957**	**31,502,542,351**	**33,664,158,554**
Shareholders' equity:					
Share Capital	8,564,691,200	8,564,691,200	8,564,691,200	9,421,160,300	9,421,160,300
Share money for deposit	1,055,879	1,655,879	6,861,869	29,272,335	33,512,335
Reserve fund	754,693,866	754,693,866	754,693,866	754,693,866	3,020,126,115
Inappropriate profit	4,372,529,859	7,317,601,118	11,671,570,107	18,041,244,660	23,688,488,284
Total equity	**13,692,970,804**	**16,638,642,063**	**20,997,817,042**	**28,246,371,161**	**36,163,287,034**
Total Liabilities & Equity	**36,660,289,944**	**42,932,851,527**	**50,508,850,000**	**59,748,913,512**	**69,827,455,588**

6. FINANCIAL ANALYSIS UNDER FACT METHOD

6.1 Profitability

A. Activity Ratio

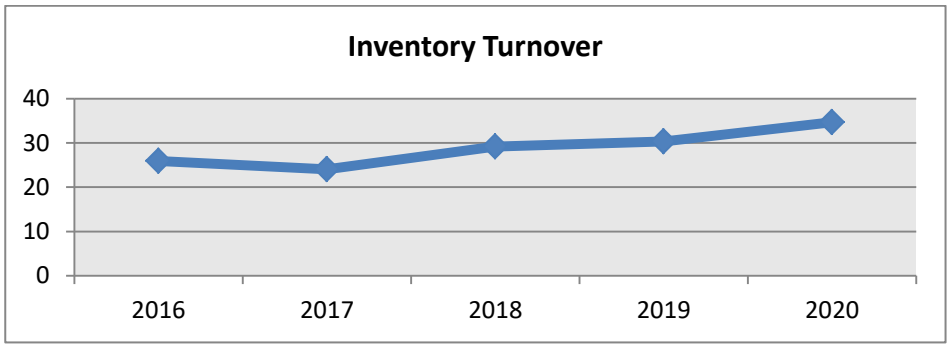
Activity ratios describe the relationship between the firm's level of operations and the assets needed to sustain operating activities. Higher the ratio indicates more efficient the firm's operations.

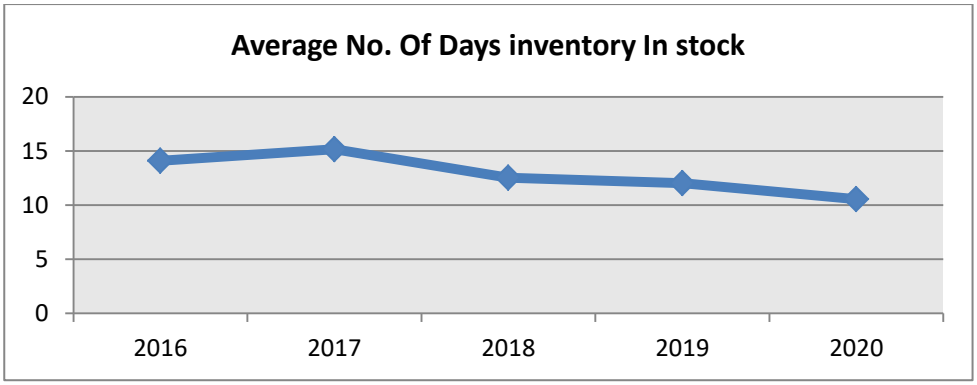
Name of Ratio	2016	2017	2018	2019	2020
Inventory Turnover Ratio	25.90	24.06	29.19	30.35	34.66
Average Days of Inventory in Stock	14.09	15.17	12.51	12.03	10.53
Receivables Turnover	3.15	4.06	4.58	4.49	4.90
Average No. of Days Receivables Outstanding	115.76	89.94	79.78	81.22	74.46
Account Payable Turnover	8.34	8.89	8.02	7.12	7.13
Average No. of Days Payables Outstanding	43.76	41.06	45.54	51.26	51.19
Working Capital Turnover	8.34	10.34	15.05	12.30	15.59

i. Inventory Turnover

A ratio showing how many times a company's inventory is sold and replaced over a period.

Inventory Turnover = (Cost of Goods Sold ÷ Inventory) (Times)					
Particulars	Years				
	2016	2017	2018	2019	2020
Cost of Goods Sold	37,224,517,033	44,073,197,766	53,100,554,522	55,085,411,651	59,813,081,774
Inventory	1,437,013,711	1,831,622,659	1,819,262,670	1,815,003,716	1,725,930,924
Inventory Turnover	25.90	24.06	29.19	30.35	34.66





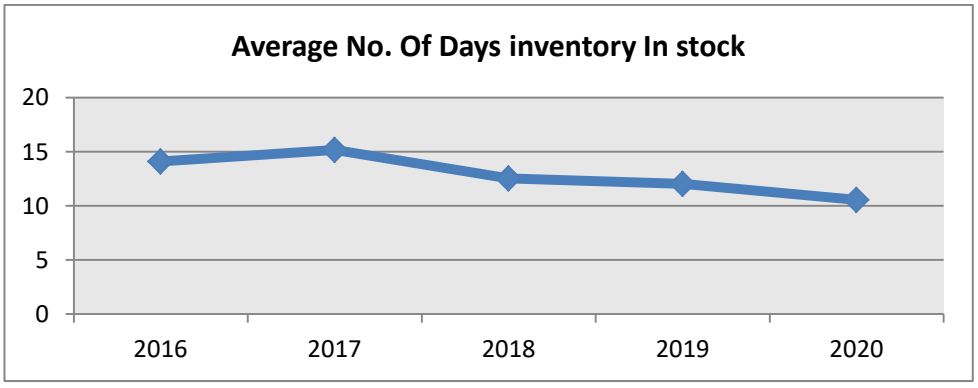
Comment:

From the above calculation we can say that the Inventory Turnover Ratio of Titas Gas Transmission and Distribution Company Limited is increasing year by year, which is batter for the Titas Gas Transmission and Distribution Company Limited.

ii. Average Days of Inventory in Stock

Days in Inventory measures the average number of days the company holds its inventory before selling it.

Average No. Of Days inventory In stock = 365/Inventory turnover (Days)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Days	**365**	**365**	**365**	**365**	**365**
Inventory Turnover	**25.90**	**24.06**	**29.19**	**30.35**	**34.66**
Average No. Of Days inventory In stock	**14.09**	**15.17**	**12.51**	**12.03**	**10.53**



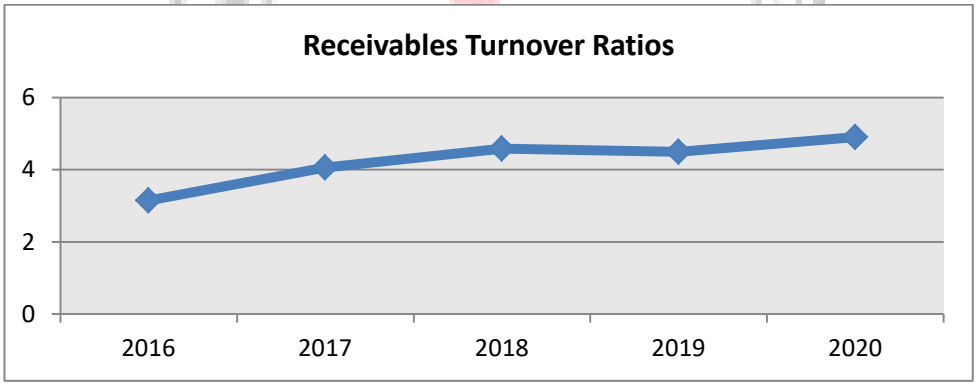
Comment:

From the above calculation we can say that, the Average No. Of Days inventory in stock of Titas Gas Transmission and Distribution Company Limited is decrease year by year, which is batter for the Titas Gas Transmission and Distribution Company Limited.

iii. Receivables Turnover

Receivable turnover is the ratio of net credit sales of a business to its accounts receivable during a given period, usually a year. It is an activity ratio which estimates the number of times a business collects its average accounts receivable balance during a period.

Receivables Turnover Ratios = Sales / Receivable (Times)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
sales	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Receivable	**14,176,182,095**	**13.036,062,383**	**14,110,569,127**	**15,253,503,781**	**14,560,283,010**
Receivables Turnover Ratios	**3.15**	**4.06**	**4.58**	**4.49**	**4.90**



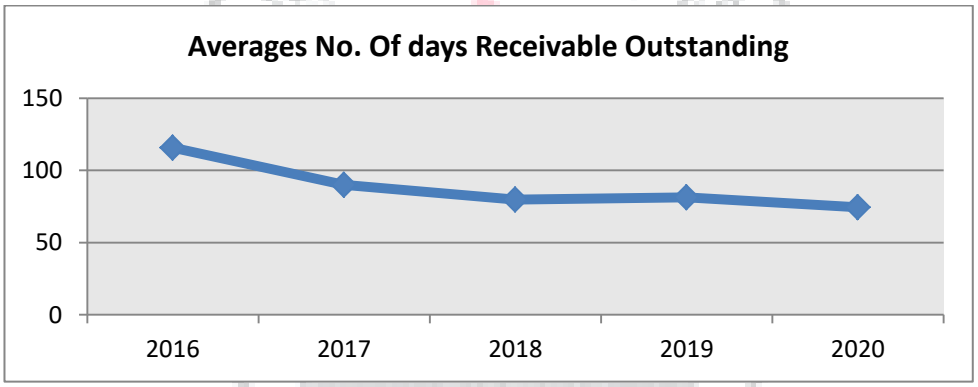
Comment:

This ratio measures the effectiveness of the firm's credit policy & it also indicates the level of investments in receivables needed to maintain the firm’s sales level. So higher is better because more time it can convert or collect it’s liability into cash & from above calculation we can see Titas Gas Transmission and Distribution Company Limited having this ratio in upward trends. They should collect receivable with in short time.

iv. Average No. of Days Receivables Outstanding

Average day's receivables outstanding are how to collecting its accounts is the number of days it takes to collect on your receivables. It's a simple calculation that can quickly give us a snapshot on our efficiency to collect insurance and patient balances.

Averages No. Of days Receivable Outstanding = 365 / Receivable Turnover (Days)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Days	**365**	**365**	**365**	**365**	**365**
Receivable Turnover	**3.15**	**4.06**	**4.58**	**4.49**	**4.90**
Averages No. Of days Receivable Outstanding	**115.76**	**89.94**	**79.78**	**81.22**	**74.46**



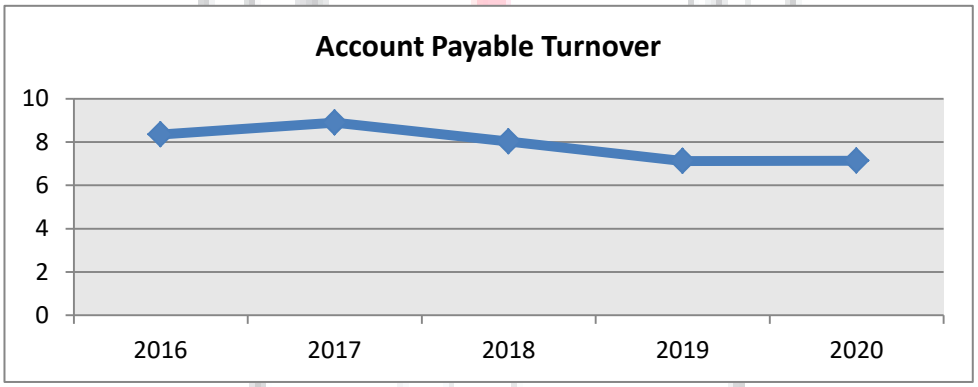
Comment:

It represents the average length of time that the firm must wait after making a credit sale before receiving cash. As it lower as it better for the firm, & here this graph shows in 2016 it was upward which was bad for it & from 2017 it was declining, which is good sign for the company.

v. Account Payable Turnover

A short-term liquidity measure used to quantify the rate at which a company pays off its suppliers. Accounts payable turnover ratio is calculated by taking the total purchases made from suppliers and dividing it by the accounts payable amount during the same period.

Account Payable Turnover = Purchase / Average Account payable (Times)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Purchase	**31,271,489,126**	**37,824,659,874**	**44,316,099,846**	**44,923,394,697**	**48,370,509,430**
Average Account payable	**3,749,677,985**	**4,254,208,453**	**5,528,064,391**	**6,310,402,154**	**6,786,011,196**
Account Payable Turnover	**8.34**	**8.89**	**8.02**	**7.12**	**7.13**



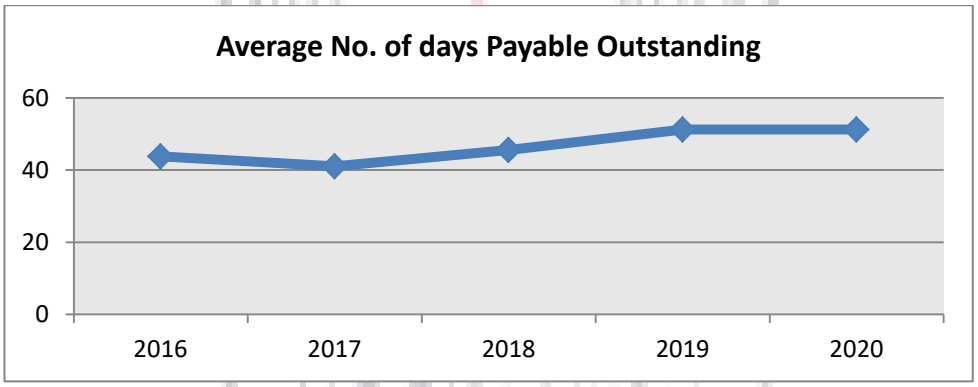
Comment:

This accounts payable turnover ratio shows the number of times that accounts payable are paid throughout the year. A falling turnover is assign that the company is taking longer to pay off its suppliers, which could be a bad sign. From above calculation we can see this ratio is in fluctuating mode & which is bad for the firm.

vi. Average No. of Days Payables Outstanding

The Average No. of Days Payable Outstanding ratio shows the average number of days it takes a company to pay its own outstanding invoices.

Average No. of days Payable Outstanding = 365 / Payable Turnover (Days)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Days	**365**	**365**	**365**	**365**	**365**
Payable Turnover	**8.34**	**8.89**	**8.02**	**7.12**	**7.13**
Average No. of days Payable Outstanding	**43.76**	**41.06**	**45.54**	**51.26**	**51.19**



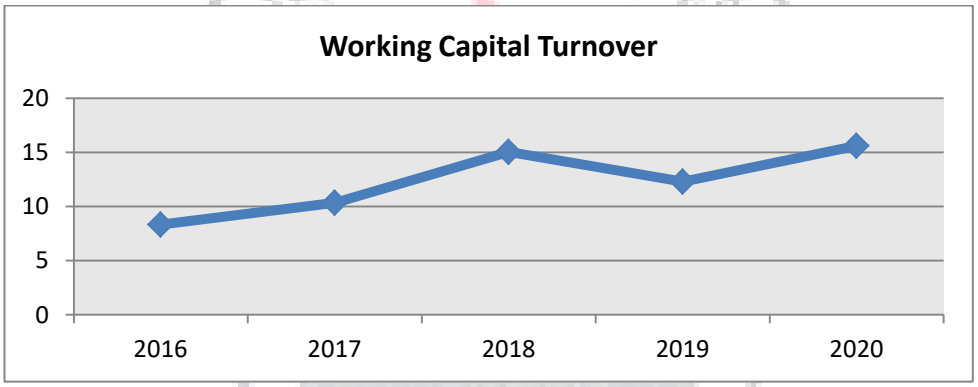
Comment:

It represents the average amount of time is taken by a company to pay its accounts payable. As low is better & from above graph we can see this ratio is in upward trends, which is bad sign for the company.

vii. Working Capital Turnover

A measurement comparing the depletion of working capital is to the generation of sales over a given period. This provides some useful information as to how effectively a company is using its working capital to generate sales.

Working Capital Turnover = Sales / Working Capital (Times)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Sales	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Working Capital	**5,359,895,875**	**5,117,699,734**	**4,289,898,441**	**5,572,204,101**	**4,578,940,187**
Working Capital Turnover	**8.34**	**10.34**	**15.05**	**12.30**	**15.59**



Comment:

It is a summary ratio that reflects the amount of operating capital needed to maintain a given level of sales. This company's is in fluctuating mode, which is bad but in the last year is has upward trends which is better for the firm.

B. Long Term (Investment) Activity Ratio

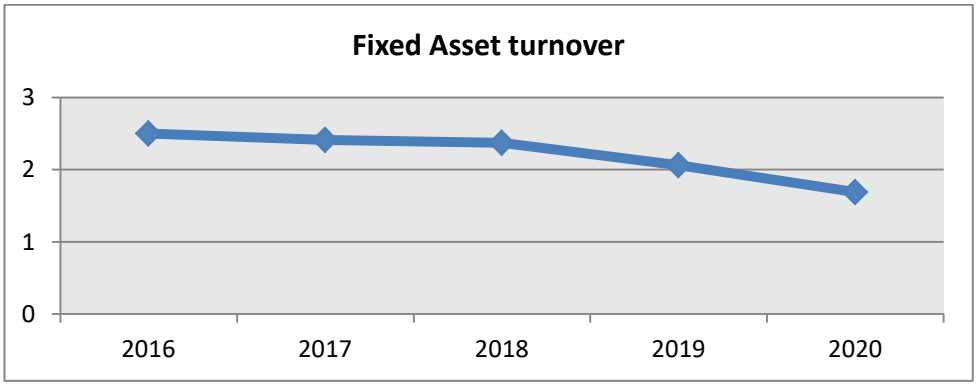
Activity ratios measure how efficiently a company performs day-to-day tasks, such us the collection of receivables and management of inventory.

Name of Ratio	2016	2017	2018	2019	2020
Fixed Asset Turnover	2.50	2.41	2.37	2.06	1.69
Total Assets Turnover	1.22	1.23	1.28	1.15	1.02
Liquidity Ratio	1.35	1.29	1.20	1.24	1.18
Quick Ratio	1.16	1.12	1.05	1.09	0.90
Cash Ratio	0.14	0.32	0.32	0.37	0.28
Defensive Interval	153.13	145.96	134.80	148.47	124.02

i. Fixed Asset Turnover

Fixed asset turnover ratio compares the sales revenue a company to its fixed assets. This ratio tells us how effectively and efficiently a company is using its fixed assets to generate revenues. This ratio indicates the productivity of fixed assets in generating revenues.

Fixed Asset turnover = Sales / Fixed Assets (Times)					
Particulars	Years				
	2016	2017	2018	2019	2020
Sales	44,699,866,508	52,903,129,422	64,557,072,881	68,551,233,852	71,375,160,794
Fixed Assets	17,849,619,229	21,967,330,627	27,257,995,149	33,213,473,911	42,224,011,623
Fixed Asset turnover	2.50	2.41	2.37	2.06	1.69



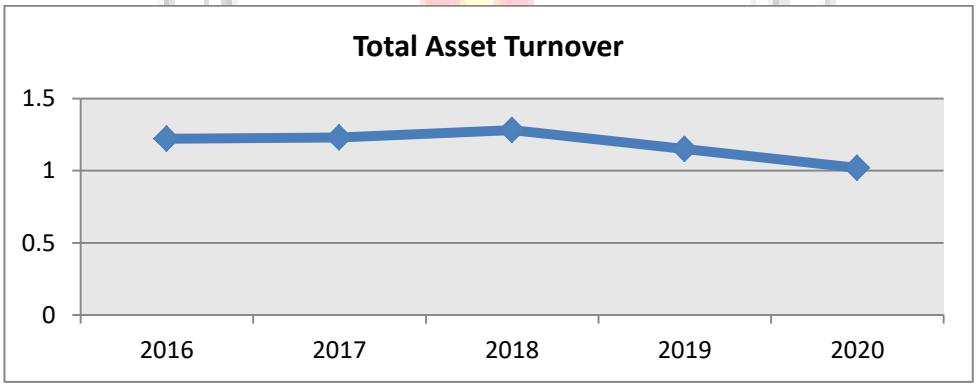
Comment:

This ratios measure the efficiency of long term capital investment to generate sales. Higher ratio indicates better productive capacity. From the above calculation we can see this company's Fixed Asset turnover ratio is falling down in year by year, which is bad sign for the firm.

ii. Total Assets Turnover

Total asset turnover is a financial ratio that measures the efficiency of a company's use of its assets in generating sales revenue.

Total Asset Turnover = Sales / Total Asset (Times)					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Sales	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Total Asset	**36,660,289,944**	**42,932,851,527**	**50,508,850,000**	**59,748,913,511**	**69,827,445,588**
Total Asset Turnover	**1.22**	**1.23**	**1.28**	**1.15**	**1.02**



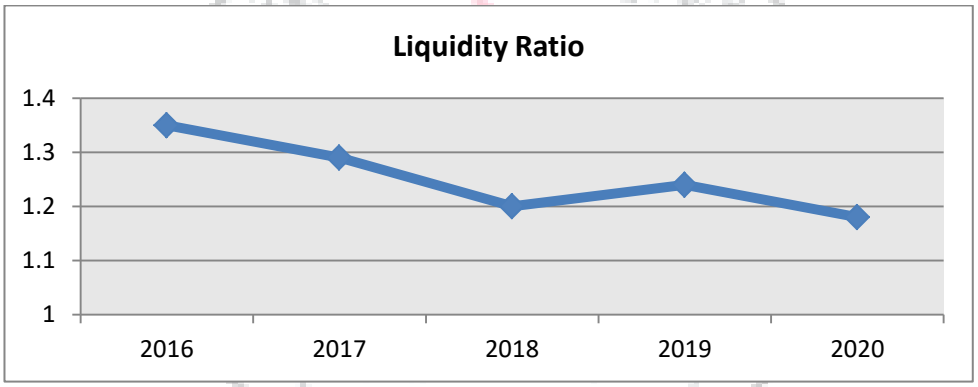
Comment:

Generally the higher a firm's total assets turnover, the more efficiently its assets have been used. From the above calculation we can see this company's Total Asset turnover ratio was stable in 2016-2017 & in 2018 the firm position was good, but after 2018 it was in declining mode up to last year, which is bad sign for the firm.

iii. Liquidity Ratio

A class of financial metrics that is used to determine a company's ability to pay off its short-terms debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.

Liquidity Ratio = Current Asset / Current Liabilities					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Current Asset	**18,810,670,715**	**20,965,520,900**	**23,250,854,851**	**26,535,439,600**	**27,603,433,965**
Current Liabilities	**13,908,581,105**	**16,281,899,688**	**19,397,229,162**	**21,317,928,979**	**23,437,717,066**
Liquidity Ratio	**1.35**	**1.29**	**1.20**	**1.24**	**1.18**



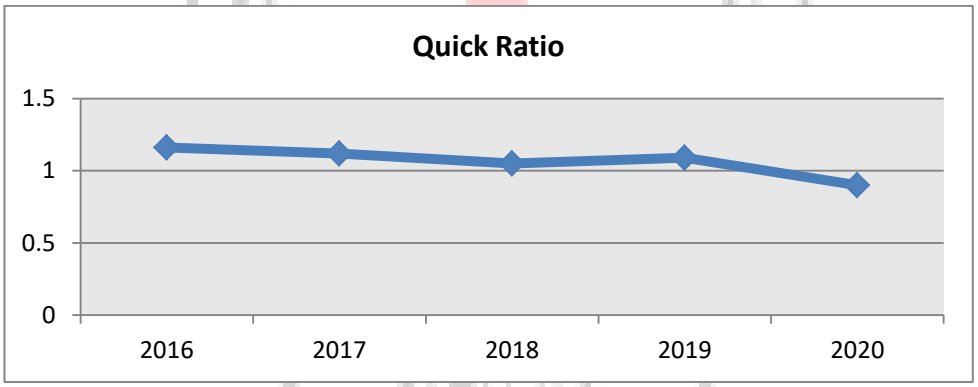
Comment:

Higher the current ratio the more liquid the firm is considered to be. But it may be as a result of higher inventory which is bad for the company. So lower is good, here we can see this ratio is in fluctuating mode & that is confusing for making any decision.

iv. Quick Ratio

An indicator of a company's short-term liquidity. The quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. The higher the quick ratio, the better the position of the company.

Quick Ratio = (Cash + Account Receivables) / Current Liabilities					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Cash	**2,011,335,050**	**5,186,641,404**	**6,172,201,606**	**7,987,541,741**	**6,521,121,770**
Account Receivables	**14,176,182,095**	**13,036,062,383**	**14,110,569,127**	**15,253,503,781**	**14,560,283,010**
Current Liabilities	**13,908,581,105**	**16,281,899,688**	**19,397,229,162**	**21,317,928,979**	**23,437,717,066**
Quick Ratio	**1.16**	**1.12**	**1.05**	**1.09**	**0.90**



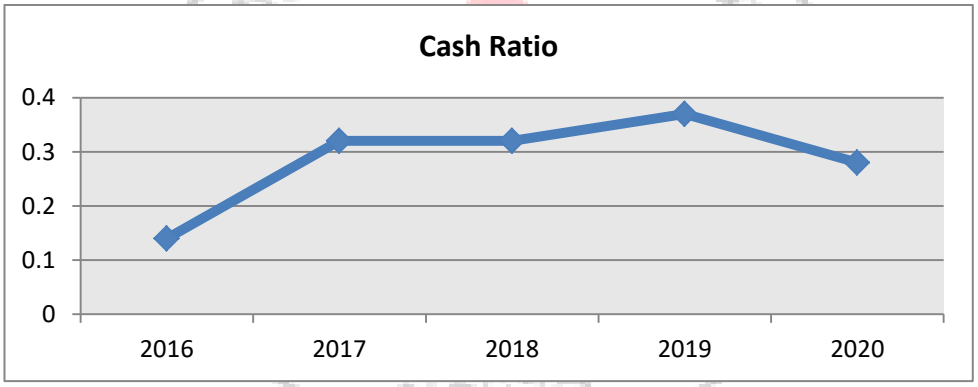
Comment:

It measures the immediate short-term debt paying ability. If this ratio is much lower than current ratio, then the firm is facing liquidity problem. The lower difference between the above two ratios are consider to be good sign. From above calculation we can see in earlier year this difference is much which is bad, but from 2018-2020 this difference is becoming lower, which is a good sign for the firm.

v. Cash Ratio

The ratio of a company's total cash and cash equivalents to its current liabilities. The cash ratio is most commonly used as a measure of company liquidity. It can therefore determine if, and how quickly, the company can repay its short-term debt. A strong cash ratio is useful to creditors when deciding how much debt, if any, they would be willing to extend to the asking party.

Cash Ratio = (Cash + Marketable Securities) / Current Liabilities					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Cash	**2,011,335,050**	**5,186,641,404**	**6,172,201,606**	**7,987,541,741**	**6,521,121,770**
Current Liabilities	**13,908,581,105**	**16,281,899,688**	**19,397,229,162**	**21,317,928,979**	**23,437,717,066**
Quick Ratio	**0.14**	**0.32**	**0.32**	**0.37**	**0.28**



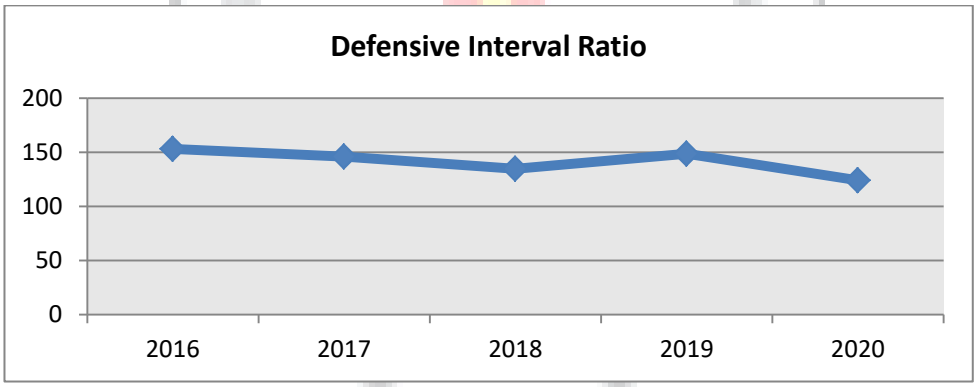
Comment:

This is the most conservative measure of liquidity which shows the capability of a company to make up the liabilities with actual cash. So higher is good we can see from above graph very low at 2016 & was stable in 2017-2018, in 2019 firm position was good because it was increasing, but again in 2020 it was declining.

vi. Defensive Interval

Defensive interval ratio is a ratio that measures the number of days a company can operate without having access to non-current assets. This ratio compares the assets to the liabilities instead of comparing assets to expenses. Defensive Interval Ratio or DIR is a good way to find out if the company is a good investment for you or not. Defensive Interval Ratio is also called as Defensive Interval Period.

Defensive Interval=365*(Cash + Account Receivable) / Projected Expenditure					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Cash	**2,011,335,050**	**5,186,641,404**	**6,172,201,606**	**7,987,541,741**	**6,521,121,770**
Account Receivable	**14,176,182,095**	**13,036,062,383**	**14,110,569,127**	**15,253,503,781**	**14,560,283,010**
Projected Expenditure	**38,584,139,996**	**45,568,294,171**	**54,921,983,466**	**57,137,253,197**	**62,046,449,521**
DIR	**153.13**	**145.96**	**134.80**	**148.47**	**124.02**



Comment:

It represents a worst-case scenario indicating the number of days a firm could maintain the current level of operations with its present cash resources. So the higher ratio indicates good sign. So from above calculation we can see up to 2019 it was good position & in last year it was declining but overall they have in good position.

C. Long Term Debt & Solvency Ratios

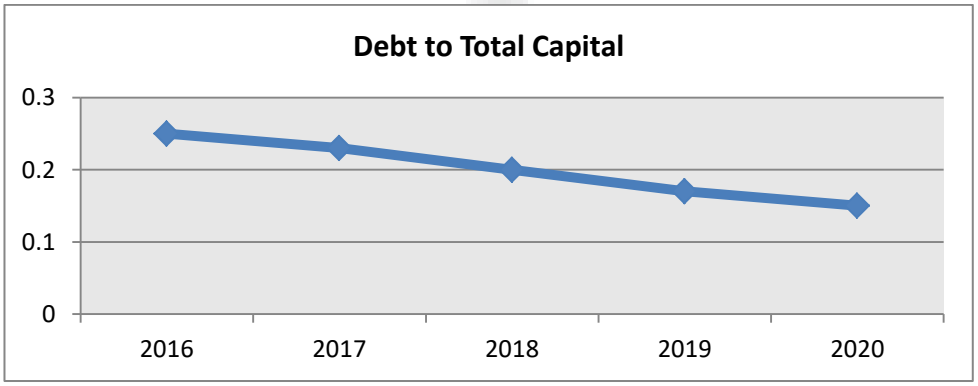
Long term debt and solvency analysis evaluates level of risk borne by a firm, changes over time, and risk relative to comparable investments. A higher portion of debt relative to equity increases the riskiness of the firm.

Name of Ratio	2016	2017	2018	2019	2020
Debt to Total Capital	0.25	0.23	0.20	0.17	0.15
Debt to Equity	1.68	1.58	1.41	1.12	0.93
Time Interest Earned	37.582	71.273	112.743	160.381	146.072
Cash From Operation(CFO) to Debt	0.36	0.85	0.94	1.08	1.06

i. Debt to Total Capital

A measurement of a company's financial leverage, calculated as the company's debt divided by its total capital. Debt includes all short-term and long-term obligations. Total capital includes the company's debt and shareholders' equity, which includes common stock, preferred stock, minority interest and net debt.

Debt to Total Capital = Total Debt / Total Capital					
Particulars	Years				
	2016	2017	2018	2019	2020
Total Debt	9,058,738,035	10,012,309,775	10,113,803,795	10,184,613,372	10,226,441,488
Total Capital	36,660,289,944	42,932,851,526	50,508,849,999	59,748,913,512	69,827,445,588
Debt to Total Capital	0.25	0.23	0.20	0.17	0.15



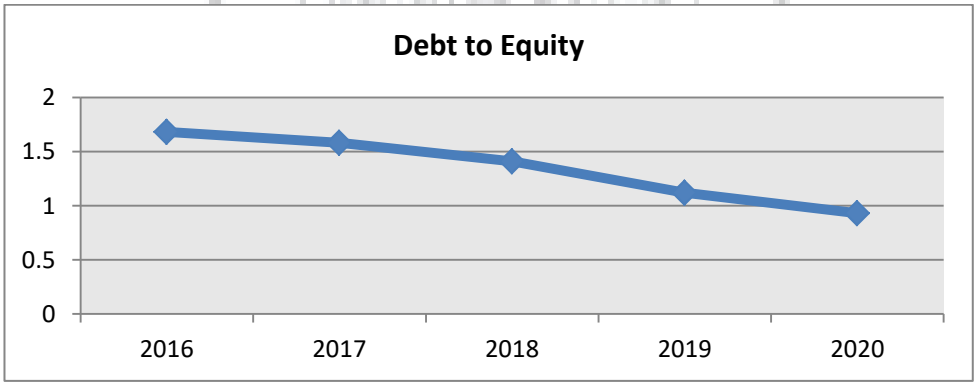
Comment:

The portion of the debt relative to equity increases the riskiness of the firm. So lower ratio indicates the safe position of the company. So from above calculation we can see that the firm is in good position because it Debt to Total Capital ratio is declining, which means it debt are decreasing year-tear in the proportion of its capital. It is also reflected the profitability of the company.

ii. Debt to Equity

A measure of the extent to which a firm's capital is provided by owners or lenders, calculated by dividing debt by equity. Also, a measure of a company's ability to repay its obligations. If ratios are increasing--more debt in relation to equity--the company is being financed by creditors rather than by internal positive cash flow which may be a dangerous trend.

Debt to Equity = Total Debt / Total Equity					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Total Debt	**22,967,319,140**	**26,294,209,463**	**29,511,032,957**	**31,502,542,351**	**33,664,158,554**
Total Equity	**13,692,970,804**	**16,638,642,063**	**20,997,817,042**	**28,246,371,161**	**36,163,287,034**
Debt to Equity	**1.68**	**1.58**	**1.41**	**1.12**	**0.93**



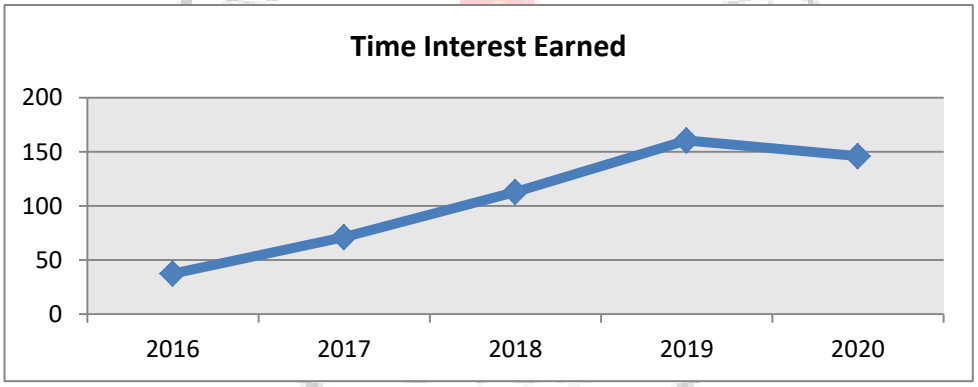
Comment:

This ratio indicates how much debt it has in the proportion of its total equity. So as much as lower is good or safety for the firm & here we can see this firm is in good position because it ratio is down ward trends. The company should follow moderate level of Debt to Equity, because high Equity decreases the profit of the company.

iii. Time Interest Earned

A metric used to measure a company's ability to meet its debt obligations. It is calculated by taking a company's earnings before interest and taxes (EBIT) and dividing it by the total interest payable on bonds and other contractual debt. It is usually quoted as a ratio and indicates how many times a company can cover its interest charges on a pretax basis. Failing to meet these obligations could force a company into bankruptcy.

Time Interest Earned = Earnings Before Interest & Taxes (EBIT) / Interest Expense					
Particulars	**Years**				
	2016	2017	2018	2019	2020
EBIT	**6,107,424,078**	**7,804,077,725**	**10,445,785,053**	**13,029,188,334**	**12,699,227,687**
Interest Expense	**162,510,763**	**109,495,101**	**92,651,523**	**81,238,972**	**86,938,225**
Time Interest Earned	**37.582**	**71.273**	**112.743**	**160.381**	**146.072**



Comment:

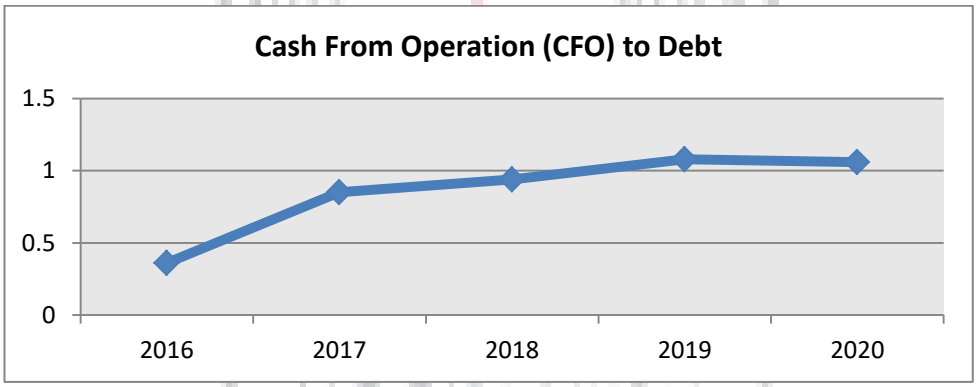
This ratio measures the firm's ability to meet interest payments when they become due. The higher ratio is good. So from above calculation we can see this firm is good position because Time Interest Earned ratio is increasing over the year.

v. Cash from Operation (CFO) to Debt

Cash flow to debt ratio shows how much the company earns from its' core activities per one dollar of debts (total liabilities). Data to calculate this ratio is collected from balance sheet and cash flow statement.

This ratio shows how well a company can cover its' total debts. Cash flow to debt ratio is important for the company's creditors (especially long-term creditors).

Cash From Operation (CFO) to Debt = CFO / Total Debt					
Particulars	**Years**				
	2016	2017	2018	2019	2020
CFO	**3,250,446,000**	**8,467,046,000**	**9,538,479,000**	**10,988,988,000**	**10,865,356,000**
Total Debt	**9,058,738,035**	**10,012,309,775**	**10,113,803,795**	**10,184,613,372**	**10,226,441,488**
CFO to Debt	**0.36**	**0.85**	**0.94**	**1.08**	**1.06**



Comment:

It measures the coverage of principal repayment requirements by the current CFO.A low ratio could signal a long term solvency problem ,as the firm doesn't generate enough cash internally to repay its debt. From above calculation we can see that this firm is in good position because it has upward trends in this ratio.

D. Profitability Analysis

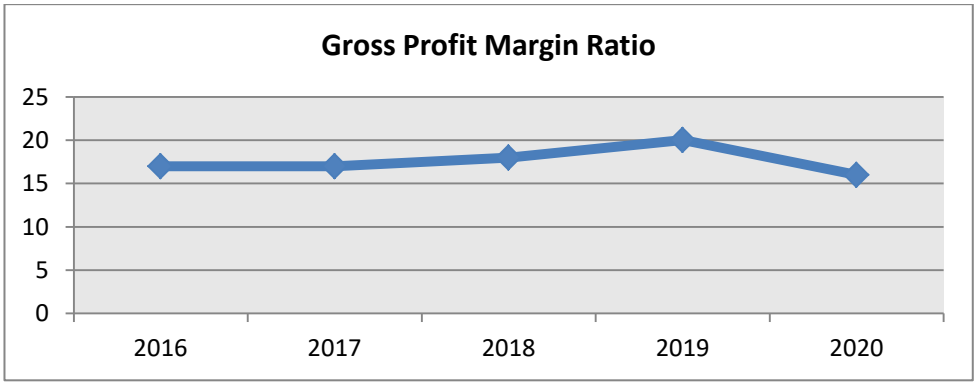
Measure the income of the firm relative to its revenue and invested capital. It measures the relationship of the firm's profits to sales and investment required to gate profit.

Name of Ratio	2016	2017	2018	2019	2020
Gross Profit Margin	17%	17%	18%	20%	16%
Operating Margin	12%	12%	14%	15%	12%
Margin Before Interest & Tax	14%	15%	16%	19%	18%
Pre Tax Margin	13%	14%	15%	18%	17%
Net Profit Margin	9%	10%	11%	13%	12%
Return on Assets(ROA)	12%	13%	15%	15%	13%
Return on Total Capital	27%	29%	34%	34%	27%
ROE	31%	33%	35%	32%	25%

i. Gross Profit Margin Ratio

Gross margin ratio is the ratio of gross profit of a business to its revenue. It is a profitability ratio measuring what proportion of revenue is converted into gross profit. Higher values indicate that more cents are earned per taka of revenue which is favorable because more profit will be available to cover non-production costs. But gross margin ratio analysis may mean different things for different kinds of businesses.

Gross Profit Margin Ratio = (Gross Profit ÷ Sales) 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Gross Profit	**7,475,339,475**	**8,829,931,656**	**11,456,518,359**	**13,465,822,201**	**11,562,079,020**
Sales	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Gross Profit Margin Ratio	**17%**	**17%**	**18%**	**20%**	**16%**



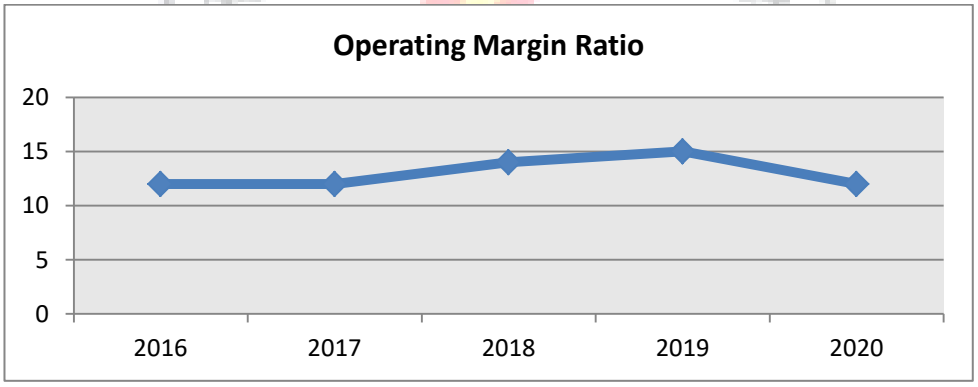
Comment:

It shows the relationship between the sales and manufacturing cost. Higher ratio is better; here this firm is in good position up to 2019 & in 2020 it becomes worst because cost of goods sold is high in this year.

ii. Operating Margin Ratio

Operating margin ratio or return on sales ratio is the ratio of operating income of a business to its revenue. It is profitability ratio showing operating income as a percentage of revenue.

Operating Margin Ratio = (Operating Income ÷ Revenue) 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Operating Income	**5,328,329,421**	**6,515,049,312**	**8,786,264,006**	**10,563,646,146**	**8,439,449,921**
Revenue	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Operating Margin Ratio	**12%**	**12%**	**14%**	**15%**	**12%**



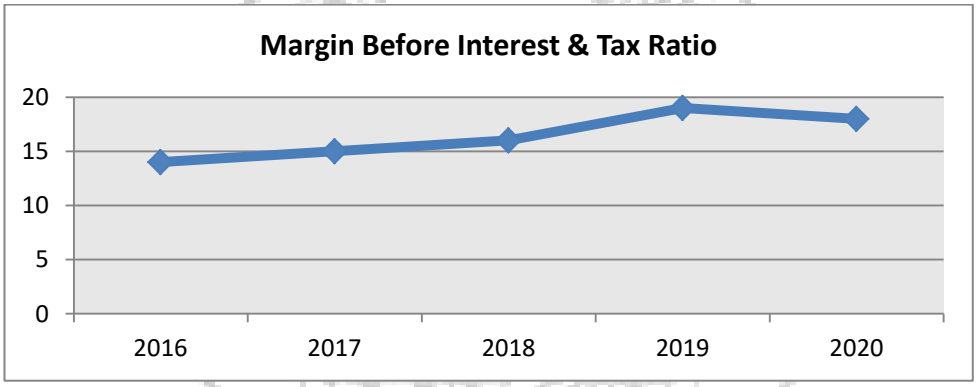
Comment:

It shows the firm's profitability form the operations of its core business. Higher is better, here this firm is in good position up to 2019 & in 2020 it become worst. Because operating profit is becoming lower than its sales.

iii. Margin before Interest & Tax Ratio

An indicator of a company's profitability, calculated as revenue minus expenses, excluding tax and interest. EBIT is also referred to as "operating earnings", "operating profit" and "operating income".

Margin Before Interest & Tax Ratio = (EBIT ÷ Sales) 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
EBIT	**6,107,424,078**	**7,804,077,725**	**10,445,785,053**	**13,029,188,334**	**12,699,227,687**
Revenue	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Gross Profit Margin Ratio	**14%**	**15%**	**16%**	**19%**	**18%**



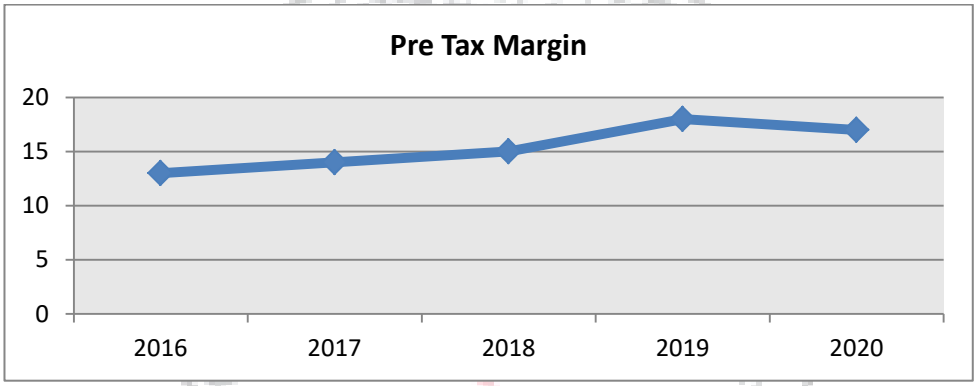
Comment:

It shows that the firm is independent of both the financing and tax position, higher ratio indicates good sign. So from above calculation we can see that this firm is in good position in 2019 & slightly declining in 2020, which is not bad actually but moderate.

iv. Pre Tax Margin

The financial ratio pretax margin is a measure of the operating efficiency of a company. Pretax margin only requires two inputs from the income statement: revenues and income before taxes.

Pre Tax Margin = (Earnings Before Tax ÷ Sales) × 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
EBT	**5,661,822,205**	**7,328,173,928**	**9,860,127,171**	**12,331,380,345**	**12,011,704,249**
Revenue	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Pre Tax Margin	**13%**	**14%**	**15%**	**18%**	**17%**



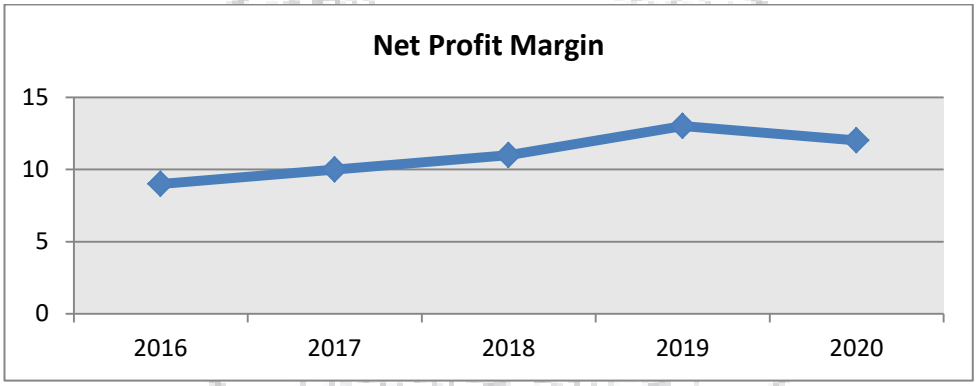
Comment:

This ratio is calculated after financing cost but prior to income taxes. Higher ratio indicates the higher EBT. So the firm is in moderate position as this ratio is start declining at 2012 & which is not a good sign.

v. Net Profit Margin

The net profit margin ratio is a profitability ratio that is a margin ratio. It can be calculated by using numbers off the company's income statement. Net profit margin is the number of dollars of after-tax profit a firm generates per dollar of sales.

Net Profit Margin = (Net Profit ÷ Sales) × 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Net Profit	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**
Revenue	**44,699,866,508**	**52,903,129,422**	**64,557,072,881**	**68,551,233,852**	**71,375,160,794**
Gross Profit Margin Ratio	**9%**	**10%**	**11%**	**13%**	**12%**



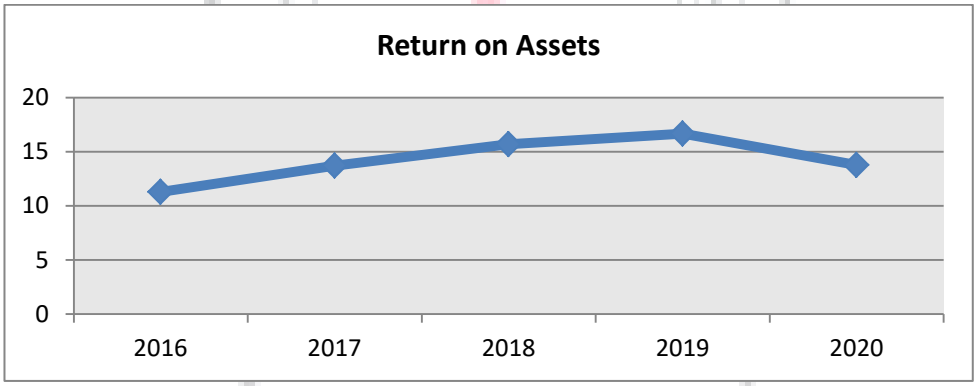
Comment:

This ratio measures the percentage of each dollar remaining after all costs and expenses, including interest, taxes, and preferred dividend, have been deducted. The higher ratio indicate higher net income which indicates higher profitability of the firm. From above graph this firm is in good position at 2019 having highest net profit but in 2020 it becomes declining, which is a bad sign for the firm.

vi. Return on Assets (ROA)

An indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. Calculated by dividing a company's annual earnings by its total assets, ROA is displayed as a percentage. Sometimes this is referred to as "return on investment".

Return On Assets(ROA) = (Net Income ÷ Average Total Assets) × 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Net Profit	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**
Average Assets	**37,385,136,658**	**39796570736**	**46720850764**	**55128881756**	**64788179550**
Gross Profit Margin Ratio	**11.28%**	**13.70%**	**15.70%**	**16.65%**	**13.76%**



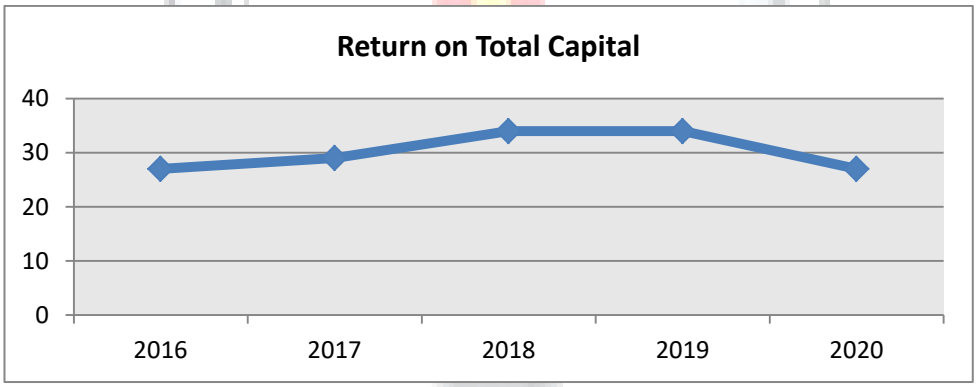
Comment:

It measures the income of the firm related to its revenues (Profit) and invested capital required to generate them. Higher is better. So from above calculation we can see that from 2016-2019 it were upward trends which are a good sign for the firm. But in last year (2020) it becoming down ward trends which is bad for the firm.

vii. Return on Total Capital (ROTC)

Return on capital (ROC), or return on investment (ROI), is one the most important ratios to measure profitability of a company. It measures how much money a business or investment is able to generate on the capital employed. Despite its importance, this ratio is seldom reported and often needs to be calculated. Here is how to determine this ratio from the balance sheet and income statement.

Return On Total Capital(ROTC) = EBIT ÷ (Total Debt + Stockholders' Equity) × 100					
Particulars	**Years**				
	2016	2017	2018	2019	2020
EBIT	**6,107,424,078**	**7,804,077,725**	**10,445,785,053**	**13,029,188,334**	**12,699,227,687**
Total Debt + Stockholders' Equity	**22,751,708,839**	**26,650,951,838**	**31,111,620,837**	**38,430,984,533**	**46,389,728,522**
Gross Profit Margin Ratio	**27%**	**29%**	**34%**	**34%**	**27%**



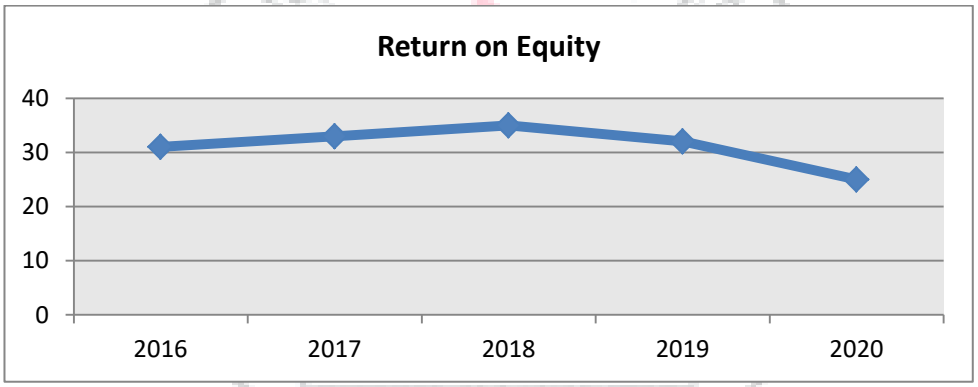
Comment:

It measures the profitability relative to all (non trade) capital providers. The higher ratio indicates the higher return. Here this firm was in increasing trend up to 2019 but in 2020 it began to decrease, which can be a bad position for the firm.

vii. Return on Equity ROE

Return on equity or return on capital is the ratio of net income of a business during a year to its stockholders' equity during that year. It is a measure of profitability of stockholders' investments. It shows net income as percentage of shareholder equity.

Return on Equity(ROE) = Annual Net Income ÷ Average Stockholders' Equity					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Annual Net Income	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**
Average Stockholders' Equity	**13,692,970,804**	**16,638,642,063**	**20,997,817,042**	**28,246,371,161**	**36,163,287,034**
ROE	**31%**	**33%**	**35%**	**32%**	**25%**



Comment:

Return on Equity measures the profitability of owners investment. Higher ratio shows the higher profitability of a firm. So from above calculation we can see that this firm position is not good position, because the profitability of owners' investment is gradually becoming lower because their income is in decrease level in this year.

E. Operating & Financial Leverage Analysis

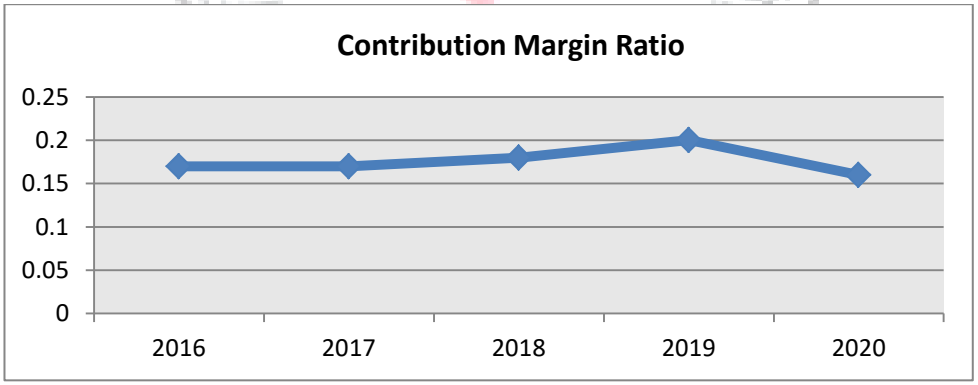
Leverage refers to proportion of fixed cost in the firm's overall cost structure. Leverage trades risk for return.

Name of Ratio	2016	2017	2018	2019	2020
Contribution Margin Ratio	0.17	0.17	0.18	0.20	0.16
Operating Leverage Effect	1.40	1.36	1.30	1.27	1.37
Financial Leverage Effect	1.26	1.19	1.20	1.15	0.95
Total Leverage Effect	1.77	1.62	1.56	1.47	1.30

i. Contribution Margin Ratio

Contribution margin ratio is contribution margin as percentage of sales. Contribution margin ratio reflects the contribution margin's percentage when compared to total sales.

Contribution Margin Ratio = Contribution Margin / Sales					
Particulars	Years				
	2016	2017	2018	2019	2020
CM	7,475,339,475	8,829,931,656	11,456,518,359	13,465,822,201	11,562,079,020
Sales	44,699,866,508	52,903,129,422	64,557,072,881	68,551,233,852	71,375,160,794
CM Ratio	0.17	0.17	0.18	0.20	0.16



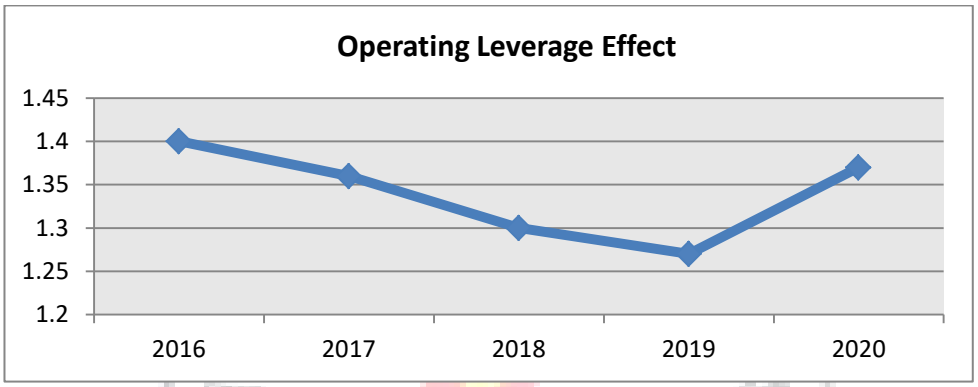
Comment:

The higher ratio indicates the higher efficiency in production capacity by using minimum variable cost. Here this firm was in increasing trend up to 2019 but in 2020 it began to decrease, which can be a bad position for the firm. Because it indicates decreasing profit resulting from a given Tk. changes in sales.

ii. Operating Leverage Effect

A measurement of the degree to which a firm or project incurs a combination of fixed and variable costs.

Operating Leverage Effect (OLE) = Contribution / Operating Income					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Contribution	**7,475,339,475**	**8,829,931,656**	**11,456,518,359**	**13,465,822,201**	**11,562,079,020**
Operating Income	**5,328,329,421**	**6,515,049,312**	**8,786,264,006**	**10,563,646,146**	**8,439,449,921**
OLE	**1.40**	**1.36**	**1.30**	**1.27**	**1.37**



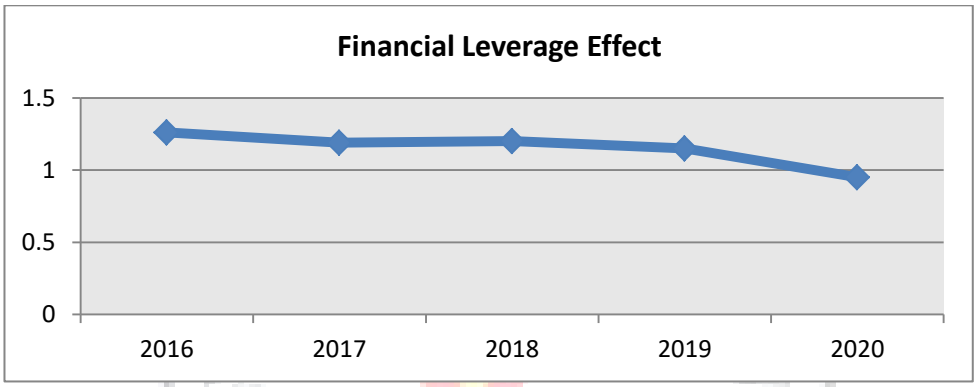
Comment:

Operating leverage measures the degree of sensitivity of companies' operating income is to changes in sale. The focus in this respect is to drive the ratio closest to 1. So here this firm is in bad position because its degree of sensitivity is much fluctuating.

iii. Financial Leverage Effect

Financial leverage effect (FLE) measures a proportion between the operating income and net income. This proportion describes how debt affects business risk if revenues vary.

Financial Leverage Effect = Operating Income / Net Income					
Particulars	**Years**				
	2016	2017	2018	2019	2020
OI	**5,328,329,421**	**6,515,049,312**	**8,786,264,006**	**10,563,646,146**	**8,439,449,921**
Net Income	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**
FLE	**1.26**	**1.19**	**1.20**	**1.15**	**0.95**



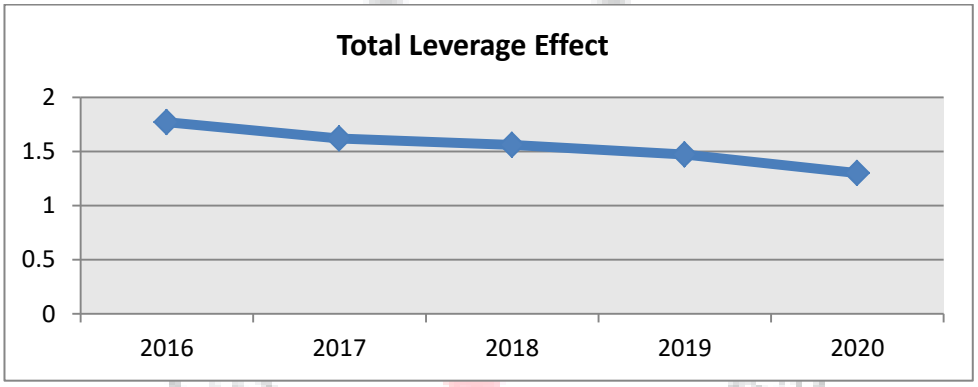
Comment:

Financial leverage measures the degree of sensitivity of companies' net income to changes in operating income. From the above ratio calculation this firm is in moderate position indicating that their net income will be less sensitive to changes in operating income. The focus in this respect is to drive the ratio closest to 1.

iv. Total Leverage Effect

Total leverage effect (TLE) is calculated by multiplying two other ratios. One of them is OLE (operating leverage effect) and the other is FLE (financial leverage effect). This ratio helps to evaluate an addition risk of business.

Total Leverage Effect (TLE) = Contribution / Net Income					
Particulars	**Years**				
	2016	2017	2018	2019	2020
Contribution	**7,475,339,475**	**8,829,931,656**	**11,456,518,359**	**13,465,822,201**	**11,562,079,020**
Net Income	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**
TLE	**1.77**	**1.62**	**1.56**	**1.47**	**1.30**



Comment:

Total leverage measures the degree of sensitivity of companies' net income to changes in sales income. From the above calculation we can see that the firm is in not good position indicating that their net income will be much sensitive to changes in sales. The focus in this respect is to drive the ratio closest to 1.

F. Market Ratio

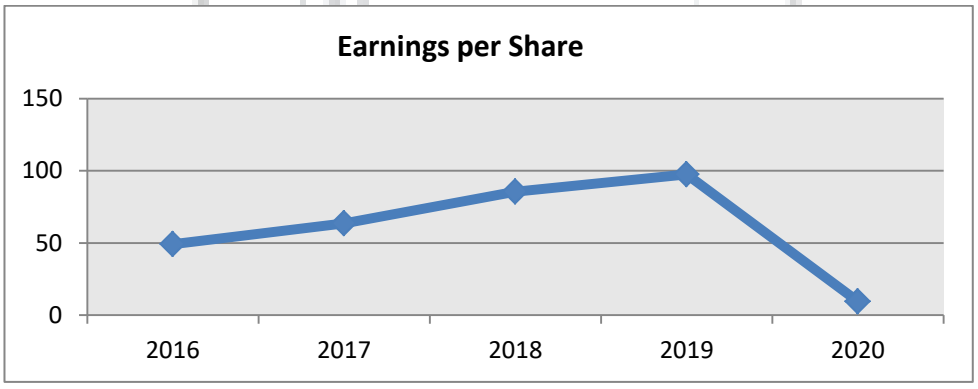
The Marketability analysis relates the firm's stock price to its earnings per share. They give Management an indication of what investors think of the company's future prospects based on its past performance.

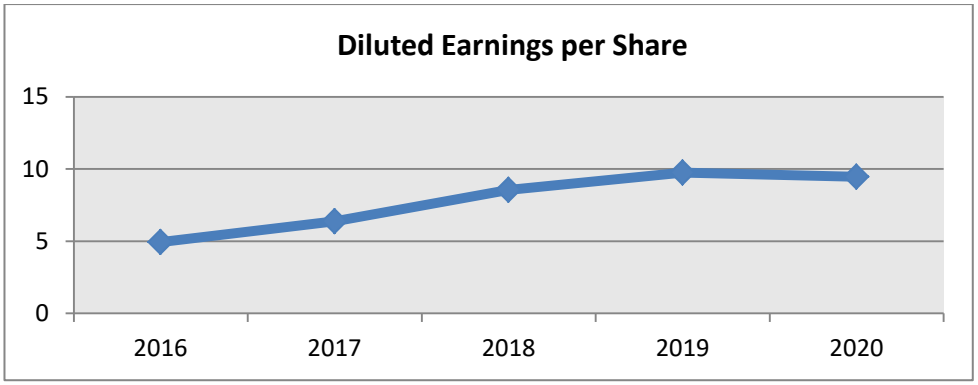
Name of Ratio	2016	2017	2018	2019	2020
Earnings Per Share	49.25	63.67	85.62	97.41	9.46

i. Earnings per Share

The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serve as an indicator of a company's profitability.

Earnings Per Share(EPS) = Earnings Available For Common Shares / No. of Common Shares Outstanding					
Particulars	**Years**				
	2016	2017	2018	2019	2020
EACS	**4,218,212,447**	**5,453,463,758**	**7,333,057,157**	**9,177,477,400**	**8,912,123,121**
CSO	**85,646,912**	**85,646,912**	**85,646,912**	**94,211,603**	**942,116,030**
EPS	**49.25**	**63.67**	**85.62**	**97.41**	**9.46**
Diluted EPS	**4.93**	**6.37**	**8.56**	**9.74**	**9.46**





Comment:

The higher ratio indicates the higher portion of the net income of the company is distributed among the shareholders that increases shareholder's profitability and firm's value. So from above Diluted Earnings per Share calculation we can see that the firm position was good as it was showing increasing trends over thew year.

7. FINDING

- Titas Gas Transmission and Distribution Company Limited having receivable turnover ratio in upward trends.
- Payable turnover this ratio is in fluctuating mode & which is bad for the firm.
- Average No. of days Payable Outstanding ratio is in upward trends and it's not good sign.
- Fixed Asset turnover ratio is falling down in year by year, which is bad sign for the firm.
- Total Asset turnover ratio was stable in 2016-2017 & in 2018 the firm position was good, but after 201 it was in declining mode up to last year, which is bad sign for the firm.
- Liquidity ratio is in fluctuating mode

8. RECOMMENDATION

From based on this analysis we can recommend in followings;

- They should concern about inventory in stock over the year
- They should collect their account receivables with in short time.
- The company fixed assets should be maintained at moderate level, otherwise they should increase their seals.
- The company should increase their current assets in term of their current liability because their liquidity position is not in satisfied level
- The company should follow moderate capital structure to profit generate with maximum level of risk.
- The company should minimize their cost of goods sold to increase their profit.
- They should collect receivable with in short time.
- The company should follow moderate level of Debt to Equity, because high Equity decreases the profit of the company.

9. CONCLUSION

By applying ratio analysis we can do company analyze and which analysis is very useful for an investor. I am able to know overall position of a company. This thesis paper main objective is "Overall Financial Performance Analysis of Titas Gas Transmission and Distribution Company Limited". In here I am trying to discuss overall financial position of Titas Gas Transmission and Distribution Company Limited. A company can analyze its overall financial position by applying five types of ratios. These are liquidity, Asset Management, Debt Management, profitability and value analysis. Titas Gas Transmission and Distribution Company Limited liquidity side may side in good position, in my point of view Asset management side is not so good and I think they should give more attention in that side. Their Debt management is performing a good job but profitability is fluctuating year by year and it was increasing but last year its decreases and I say their overall profitability site are good. In market value side i can see that the firm position was good as it was showing increasing trends over the year.. Based on this analysis the Titas Gas Transmission and Distribution Company Limited performances are good from other companies in these sectors.

10. BIBLIOGRAPHY & REFERENCES

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- Essentials of Managerial Finance, by J. Fred Weston, Scot Basely, Eugene F.
- Modern Working Capital Management, by Frederic C. Scherr.

ACKNOWLEDGEMENT

First of all, I would like to express my gratitude to almighty Allah for keeping me mentally and physically sound to prepare this Thesis Paper. I was assigned to prepare a thesis paper on **"Overall Financial Performance Analysis of Titas Gas Transmission and Distribution Company Limited"**

I would like to thank my respectful teacher**,** Abul Kalam, Associate Professor, Sonargaon University for his valuable suggestion constant encouragement and keen interest at every stage of this study.