



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

**Independent Auditor's Report
and
Financial Statements
of**

Bangladesh Lamps Limited

House-22, 9th Floor, Road-4
Block-F, Banani, Dhaka, Bangladesh

As at and for the year ended 30 June , 2022

Auditor:



Ahmed Zaker & Co.

Chartered Accountants

An Independent Member Firm of Geneva Group International (GGI)

Green City Edge (Level - 10), 89, Kakrail, Dhaka-1000, Bangladesh.

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**Independent Auditors' Report****To the shareholders of Bangladesh Lamps Limited****Report on the Audit of the Financial Statements.****Opinion**

We have audited the financial statements of Bangladesh Lamps Limited (the "Company") which comprise the Statement of Financial Position as at 30 June 2022 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the company gives a true and fair view, in all material respects, of the financial position of the company as at 30 June 2022, and its financial profit or loss & other Comprehensive income and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide opinion on these matters.

Risk	Our response to the risk
<p>Revenue Recognition</p> <p>The company reported total revenue of Tk. 1,627,402,587 for the year ended 30 June 2022 which is 19% (Tk. 257,200,468) higher than prior year revenue.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are transferred to the buyer, the significant risks and rewards of ownership of the goods & the sales price is determined considering the effect of rebates, discounts & incentives.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers. There is a risk of differences between the timing of invoicing of products and the dispatch of the products.</p>	<p>Our procedures included the following to assess this risk:</p> <ul style="list-style-type: none"> ➤ We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers; ➤ Performed walkthroughs to understand the adequacy and the design of the revenue cycle; ➤ Tested the internal control over financial reporting, we also assessed the existence and accuracy of the sales recorded; ➤ Performed sample testes of individual sales transactions and traced to sales invoices, sales orders and other related document; ➤ Obtained balance confirmations from debtors on sample basis to confirm the accuracy, valuation and existence of balances; ➤ Reconciled between monthly sales report and VAT return (Mushak-9.1).
See note no-24.00 to the financial statements	



Valuation of inventory	
<p>The inventory of Tk. 494,847,967 at 30 June 2022 held in warehouse and factory premise of the company.</p> <p>In order to carry inventory at the lower of cost and net realizable value, management has identified slow moving, obsolete and damaged inventories and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions.</p> <p>Inventory value is calculated in company's accounting system using an automated process. Manual process requires interfaces and inputs, there is a risk of inappropriate management override and chances of error exist.</p>	<p>Our procedures included the following to assess inventory Valuation:</p> <ul style="list-style-type: none">➤ Evaluating the design and implementation of key inventory controls operating across the factory and warehouse;➤ Attending inventory counts and reconciled the count results to the inventory listing to test the completeness of data;➤ Testing, on a sample basis, the stock aging profile and the market price used in assessing the net realizable values of inventories to the related supporting documents;➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories.
See note no-9.00 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act-1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statement we are responsible for the direction, supervision and performance of the audit. We solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The statement of Financial Position, statement of profit or loss & other comprehensive income and statement of changes in equity and statement of cash flows of the Company dealt with by the report are in agreement with the books of account and returns and
- d) The expenditure was incurred for the purpose of the Company's business.

Date: 19 OCT 2022
Place: Dhaka
DVC:2210230603A5934066

Md. Shafiqul Alam, FCS, FCA
Enrolment number: 603
Partner
Ahmed Zaker & Co.
Chartered Accountants
Firm Registration Number: N/A

Bangladesh Lamps Limited
Statement of Financial Position
 As at 30 June 2022

Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
Assets			
Property, plant and equipment	4.00	36,697,424	36,849,924
Right-of-use asset (ROU)	5.00	116,965,297	95,165,311
Investment in shares:			
At cost	6.00	88,527,133	88,527,133
Fair value adjustment	7.00	548,276,869	662,284,708
		636,804,002	750,811,841
Loans and deposits	8.00	4,902,893	5,198,471
Total non-current assets		795,369,616	888,025,547
Inventories	9.00	494,847,967	398,635,462
Trade and other receivables	10.00	67,666,931	63,724,499
Advances, deposits and prepayments	11.00	60,349,162	33,747,875
Advance income tax	12.00	326,364,582	391,663,472
Cash and cash equivalents	13.00	315,862,822	157,744,350
Total current assets		1,265,091,464	1,045,515,658
Total assets		2,060,461,080	1,933,541,205
Equity			
Share capital	14.00	93,706,080	93,706,080
Reserves and surplus	15.00	758,916,445	797,998,383
Total equity		852,622,525	891,704,463
Liabilities			
Deferred liability-gratuity payable	16.00	20,752,800	38,185,618
Deferred tax liability	17.00	46,855,548	55,951,697
Lease liabilities-Net off current portion	18.00	102,087,747	81,948,296
Total non-current liabilities		169,696,095	176,085,611
Lease liabilities-Current portion	18.00	20,400,000	15,000,000
Short term finance	19.00	668,066,546	417,957,079
Trade and other payables	20.00	127,812,271	124,118,167
Other liabilities	21.00	32,754,244	78,927,437
Unclaimed dividend	22.00	1,728,699	15,416,313
Provision for tax	23.00	187,380,700	214,332,135
Total current liabilities		1,038,142,460	865,751,131
Total liabilities		1,207,838,555	1,041,836,742
Total equity and liabilities		2,060,461,080	1,933,541,205

The accompanying notes form an integral part of these financial statements.

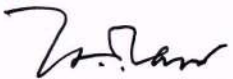

 Company Secretary


 Director


 Managing Director & CEO

As per our annexed report of same date.

Date: **19 OCT 2022**
 Place: Dhaka
 DVC: 2210230603AS934066


Md Shafiqul Alam, FCS, FCA
 Enrolment number: 603
 Partner
 Ahmed Zaker & Co.
 Chartered Accountants
 Firm Registration Number: N/A

Bangladesh Lamps Limited
Statement of Profit or Loss and Other Comprehensive Income
 For the year ended 30 June 2022

Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
Revenue	24.00	1,627,402,587	1,370,202,119
Cost of sales	25.00	(1,229,087,640)	(1,039,820,324)
Gross profit		398,314,947	330,381,795
Other income	26.00	22,933,319	33,477,138
Operating expenses	27.00	(275,092,824)	(270,553,127)
Profit before net finance cost		146,155,442	93,305,806
Finance cost	28.00	(32,994,518)	(23,444,382)
Finance income	29.00	10,921,598	4,646,061
Net finance cost		(22,072,920)	(18,798,321)
Profit before contribution to workers participation fund & welfare fund		124,082,522	74,507,485
Contribution to workers participation fund & welfare fund		(5,908,692)	(3,547,976)
Profit before income tax		118,173,830	70,959,509
Income tax expenses	30.00	(35,907,497)	(23,204,075)
Net profit for the year		82,266,333	47,755,434
Other comprehensive income/(loss)			
Changes in fair value of shares available for sale	31.00	(114,007,839)	323,606,528
Deferred tax income/(expenses)	17.00	11,400,784	(32,360,653)
Net other comprehensive income/(loss)		(102,607,055)	291,245,875
Total comprehensive income/(loss)		(20,340,722)	339,001,309
Basic Earnings per share (par value Tk 10 each)	32.00	8.78	5.10

The accompanying notes form an integral part of these financial statements.



 Company Secretary


 Director


 Managing Director & CEO

As per our annexed report of same date.

Date: **19 OCT 2022**
 Place: Dhaka
 DVC: 2210230603AS 934066


Md Shafiqul Alam, FCS, FCA
 Enrolment number: 603
 Partner
 Ahmed Zaker & Co.
 Chartered Accountants
 Firm Registration Number: N/A

Bangladesh Lamps Limited
Statement of Changes in Equity
 For the year ended 30 June 2022

Particulars	Share Capital	Reserves and surplus					Total Amount
		Capital reserve	General reserve	Fair value reserve	Retained earnings	Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1st July 2021	93,706,080	2,305,167	151,881,545	596,056,237	47,755,434	797,998,383	891,704,463
Distribution of cash dividend	-	-	-	-	(18,741,216)	(18,741,216)	(18,741,216)
Total net profit and other comprehensive income for the year:							
Net profit for the year	-	-	-	-	82,266,333	82,266,333	82,266,333
Other comprehensive income	-	-	-	(102,607,055)	-	(102,607,055)	(102,607,055)
Transfer to general reserve	-	-	29,014,218	-	(29,014,218)	-	-
Balance as at 30 June 2022	93,706,080	2,305,167	180,895,763	493,449,182	82,266,333	758,916,445	852,622,525

Bangladesh Lamps Limited
Statement of Changes in Equity
 For the year ended 30 June 2021

Particulars	Share Capital	Reserves and surplus					Total Amount
		Capital reserve	General reserve	Fair value reserve	Retained earnings	Total	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Balance as at 1st July 2020	93,706,080	2,305,167	253,795,136	304,810,362	(92,542,983)	468,367,682	562,073,762
Distribution of cash dividend	-	-	-	-	(9,370,608)	(9,370,608)	(9,370,608)
Total net profit and other comprehensive income for the year:							
Net profit for the year	-	-	-	-	47,755,434	47,755,434	47,755,434
Other comprehensive income	-	-	-	291,245,875	-	291,245,875	291,245,875
Transfer to general reserve	-	-	(101,913,591)	-	101,913,591	-	-
Balance as at 30 June 2021	93,706,080	2,305,167	151,881,545	596,056,237	47,755,434	797,998,383	891,704,463

The accompanying notes form an integral part of these financial statements.


 Company Secretary

Date: 19 OCT 2022
 Place: Dhaka


 Director




 Managing Director & CEO

Bangladesh Lamps Limited
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
A. Cash flows from operating activities			
Cash receipts from customers		1,901,670,680	1,627,406,815
Cash paid to suppliers		(1,211,170,762)	(862,476,835)
Cash paid to employees		(201,549,335)	(211,184,767)
Cash paid for services received		(197,912,421)	(175,605,938)
Cash payment of VAT		(274,947,369)	(236,751,489)
Contribution to WPPF		(3,547,976)	-
Contribution to provident fund		(3,866,836)	(7,253,228)
Cash flows from operation		8,675,981	134,134,558
Cost recovery		-	10,553,298
Collection from forfeited account employer's contribution to provident fund		88,596	-
Interest paid		(14,717,316)	(18,641,260)
Income tax paid	12.00	(45,750,345)	(44,959,888)
Net cash flows from/ (used in) operating activities		(51,703,084)	81,086,708
B. Cash flows from investing activities			
Dividend received		22,844,723	49,663,261
Proceeds from sale of property, plant and equipment		-	4,749,685
Payment for acquisition of property, plant and equipment		(16,877,712)	(4,357,468)
Net cash flows from/(used in) investing activities		5,967,011	50,055,478
C. Cash flows from financing activities			
Payment of lease liability- Principal portion		(8,149,547)	(3,225,716)
Dividend paid		(32,428,829)	(8,817,781)
Net cash flows from/ (used in) financing activities		(40,578,376)	(12,043,497)
D. Effect of exchange rate changes in cash and cash equivalent		(5,676,546)	360,471
E. Net cash inflows/(outflows) for the year (A+B+C+D)		(91,990,995)	119,459,160
F. Opening cash and cash equivalent		(260,212,729)	(379,671,889)
Cash and cash equivalent		157,744,350	48,175,927
Short term finance		(417,957,079)	(427,847,816)
G. Closing cash and cash equivalent (E+F)		(352,203,724)	(260,212,729)
Cash and cash equivalent	13.00	315,862,822	157,744,350
Short term finance	19.00	(668,066,546)	(417,957,079)

The accompanying notes form an integral part of these financial statements.


Company Secretary


Director


Managing Director & CEO

Date: **19 OCT 2022**
Place: Dhaka

Bangladesh Lamps Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2022

1.00 Reporting entity

1.1 Company profile

Bangladesh Lamps Limited ("the company") is a public limited company incorporated in 1960 in Bangladesh under the Companies Act 1913. The authorised capital of the company is Taka 500 million divided into 50 million ordinary shares of Taka 10 each. The shares of the company are publicly traded in Dhaka and Chittagong Stock Exchanges.

The entire shareholding of Philips Netherland was sold and transferred on 4 March 1993 to Transcom Limited, a company incorporated in Bangladesh, thus making Bangladesh Lamps Limited a subsidiary of Transcom Limited. At present 61.03% shares are held by Transcom Limited and its subsidiary Transcom Electronics Limited. Remaining 38.97% shares are held by institutions and general public including foreign investors.

The address of the registered office of the Company is Gulshan Tower, 5th Floor, Plot-31, Road-53, Gulshan North C/A, Dhaka.

1.2 Nature of business

The company produces and sells Transtec brand LED (Light-emitting diodes) bulbs, LED tube lights, electric bulbs and luminaire in local market.

2.00 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 2020, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable.

Date of authorisation

The financial statements were authorised for issue by the Board of Directors on 18 October, 2022.



Bangladesh Lamps Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2022

2.2 Going concern

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.3 Fair value measurement

The entity measures financial instruments such as financial assets available for sale at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset and transfer the liability takes place either: i) in the principal and active market of the asset and the liability or ii) in the absence of principal market, in the most advantageous market of the asset and the liability.

2.4 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention except investment available for sale which is measured at fair value.

2.5 Reporting period

Financial year of the company covers the period from 01 July 2021 to 30 June 2022.

2.6 Functional and presentational currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), unless otherwise stated, which is the company's functional currency. All financial information are presented in Taka and have been rounded off to the nearest integer.

2.7 Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Bangladesh Lamps Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2022

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In particular, information about significant areas of estimation and judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 4 : Property, plant and equipment
Note 5 : Right-of-use asset (ROU)
Note 9 : Inventories
Note 10 : Trade and other receivables
Note 11 : Advances, deposits and prepayments
Note 16 : Deferred liability-gratuity payable
Note 17 : Deferred tax liability
Note 18 : Lease liabilities
Note 20 : Trade and other payables
Note 21 : Other liabilities
Note 23 : Provision for tax
Note 43 : Contingent liability

2.8 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with International Accounting Standard (IAS)-7 "Statement of cash flows" as required by the Securities and Exchange Rules, 2020.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



Bangladesh Lamps Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2022

3.1 Foreign currency

Foreign currencies are translated into Taka at the rates ruling on the transaction dates. Monetary assets and liabilities are translated at the rates prevailing at the date of statement of financial position. Non-monetary assets and liabilities are reported using the exchange rate at the date of transaction. Differences arising on conversion are charged or credited to the statement of profit or loss and other comprehensive income.

3.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

There was no material impact of adopting IFRS 9 on the company's statement of financial position as at 30 June 2022 and its statement of profit or loss and OCI for the year ended 30 June 2022 and the statement of cash flows for the year then ended.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments).

Equity instruments designated at fair value through OCI include investments in equity shares of listed companies. The Company holds non-controlling interests in these companies. These investments were irrevocably designated at fair value through OCI as the Company considers these investments to be strategic in nature.

Bangladesh Lamps Limited
Notes to the Financial Statements
 As at and for the year ended 30 June 2022

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Items of property, plant and equipment are measured at cost or valuation less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of property, plant and equipment and bringing to the location and condition necessary for it to be capable of operating in the intended manner. The cost of self constructed asset included the cost of material and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use.

3.3.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss and other comprehensive income as incurred.

3.3.3 Depreciation

Depreciation is charged on all items of property, plant and equipment on straight line method over their estimated useful lives. Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal. The useful lives used are summarised as below:

Leasehold buildings	10-33 years or lease term whichever is shorter
Machinery	5-20 years
Tools and equipment	3-20 years
Electrical equipment	3-15 years
Office equipment	3-7 years
Vehicles	5 years
Furniture and fittings	4-7 years

Bangladesh Lamps Limited
Notes to the Financial Statements
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3.3.4 IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. A change in accounting estimate is an adjustment of the carrying amount of an asset or liability, or related expenses, resulting from reassessing the expected future benefits and obligations associated with that asset or liability. The effect of a change in an accounting estimate shall be recognized prospectively by including it in profit or loss in the period of the change and future periods, if the change affects both.

Useful life of an asset is an accounting estimate and if found out that it is different from what was initially set, it is needed to book this change in line with the standard IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. No restatement of previous periods' financial statements is permitted. IAS 8 requires recognizing change in accounting estimates prospectively (now and in the future).

3.3.5 Retirement and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset in statement of profit or loss and other comprehensive income.

No depreciation is charged in the month of disposal as the depreciation of an assets is charged at the earlier date that the asset is classified as held for sale. In Bangladesh Lamps Ltd. we transfer the disposable assets as "Assets under held for sales" in the month of disposal and we don't charge the depreciation accordingly on held for sales asset/disposable assets.

3.3.6 Right-of-use assets (ROU) under IFRS 16

All leasing arrangements except those having less than 12 months of useful life have been capitalized as "right-of-use" asset with a corresponding financial liability on the financial position. Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary. The asset is written off on a straight-line basis over the tenure of the lease agreement. Hence, the useful life of any lease assets depends on the number of periods the assets can be used.

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3.3.7 Impairment

Recognition

The carrying value of the company's assets, other than inventories, are reviewed at each date of the statement of financial position to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss will be recognised whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, are recognised in the statement of profit or loss and other comprehensive income.

3.4 Intangible assets

3.4.1 Recognition

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss, (if any). Intangible asset is recognised when all the conditions for recognition as per *IAS 38: Intangible assets* are met. The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

3.4.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognised in the statement of profit or loss and other comprehensive income when incurred.

3.4.3 Amortisation

Intangible assets are amortised on straight line basis to the statement of profit or loss and other comprehensive income from the date when the asset is available for use over its best estimated economic life. Intangible assets i.e., acquisition cost of the accounting software will fully amortised within 5 years of acquisition.

3.5 Investments

Investments are made in the share of different companies. These shares are non derivative financial assets that are designated as available for sale of financial assets. Subsequent to initial recognition (i.e., at cost), they are measured at fair value and changes therein are recognised in other comprehensive income and presented in the fair value reserve in equity.

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3.6 Inventories

Inventories include raw materials, raw materials in transit, work-in-process, finished goods and spare parts. These are valued at the lower of cost and net realisable value, with appropriate provisions for obsolete and slow-moving items. Cost is determined using the weighted average method and includes all expenses incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Employee benefit costs

3.7.1 Gratuity

The company maintains "Approved Gratuity Fund" in compliance with the 1st Schedule Part C under section 2(5A) which is administered by the Board of Trustees.

3.7.2 Provident fund

The company also maintains a contributory provident fund for its permanent employees which is administered by the Board of Trustees.

3.7.3 Workers' profit participation fund

Workers' profit participation fund (WPPF) qualifies as defined contribution plan. Each year the fund will be entitled to get share of profit @ 5% on profit before tax of Bangladesh Lamps Limited as per provision of the Bangladesh Labour (Amendment) Act 2013.

3.8 Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.9 Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date when underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

b) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.10 Borrowing cost

Interest is payable on facilities from banks and overdrafts at normal commercial rates. Borrowing costs are recognised as expense in the year in which they are incurred. Borrowing costs relating to property, plant and equipment up to the period of completion of erection are capitalised, and those for the subsequent period is charged in statement of profit or loss and other comprehensive income.

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3.11 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer. Applying IFRS 15, an entity recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under IFRS 15, the company applies the following five steps for revenue recognition :

- Identifying the contract(s) with a customer.
- Identifying the performance obligations in the contract. Performance obligations are promises in a contract to transfer to a customer goods or services that are distinct.
- Determination the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. If the consideration promised in a contract includes a variable amount, an entity must estimate the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to a customer.
- Allocation the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct good or service promised in the contract.
- Recognition revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation may be satisfied at a point in time (typically for promises to transfer goods to a customer) or over time (typically for promises to transfer services to a customer). For a performance obligation satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognized as the performance obligation is satisfied.

Therefore, revenue from the sales of goods is measured at the fair value of the consideration received or receivable and net of Value Added Tax (VAT).

3.12 Finance income

Finance income comprises interest income from STD Accounts and Fixed Deposit Receipts (FDR).

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3.13 Earnings per share

The company presents basic earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the net profit for the year (other than impact on changes in fair value of available-for-sale financial assets) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding at the year end.

3.14 Dividend distribution policy

Bangladesh Lamps Limited maintains a dividend distribution policy for its own purpose. After Bangladesh Securities and Exchange Commission (BSEC) directive BSEC/CMRRCD/2021-386/03 dated January 14, 2021, it becomes mandatory for the listed companies to have a Dividend Distribution Policy.

The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework. The Board of Directors shall recommend dividend in compliance with this Policy, the Articles of Association of the Company, the provisions of the Companies Act, 1994, relevant Directives / Orders published by the Bangladesh Securities and Exchange Commission and other applicable legal provisions.

The Company's Dividend Distribution Policy shall ensure that it returns cash from operations that is more than its immediate and foreseeable needs back to the shareholders over the long-term. The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company.

The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared. The Board of Directors may consider declaration of both interim dividend and final dividend where interim dividend will be based on the performance of the Company during the period and final dividend will be based on the performance of the full year.

The Dividend recommended by the Board of Directors shall be subject to approval of the shareholders at the Annual General Meeting. Provided that no dividend shall be approved at the Annual General Meeting more than the amount recommended by the Board of Directors.

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Dividend will be recommended out of the current year's Profit after Tax of the Company. In certain circumstances including but not limited to loss after tax in any particular financial year, the Board of Directors may consider utilizing reserve and surpluses for recommendation of dividends, subject to applicable legal provisions.

This Dividend Distribution Policy (as amended from time to time) will be available on the Company's website and in the annual report.

3.15 Unclaimed dividend

Any unclaimed or unsettled dividend shall be managed in line with Bangladesh Securities and Exchange Commission directions (as issued time to time) and any other applicable local laws, rules, and regulations.

3.16 Contingencies

3.16.1 Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Details of contingent liabilities are disclosed in note 43.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigation, assessments, fines penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonable estimated.

3.16.2 Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.17 Taxation

3.17.1 Current tax

Current tax has been provided in the financial statements at the rate applicable for the company as per the Income Tax Ordinance 1984. The applicable tax rate for the company is 22.50% as per Finance Act 2022.

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3.17.2 Deferred tax

Deferred tax is recognised in accordance with the provision of *IAS 12: Income Taxes*, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.18 Standards adopted but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to IFRS 3).
- Definition of Material (Amendments to IAS 1 and IAS 8).
- IFRS 17 Insurance Contracts.

3.19 Operating segment

As the company's business activity falls within a single business segment viz, 'Lighting products' and the sales substantially being in the domestic market, the financial statements are reflective of the information required by IFRS 8 "Operating Segment".

3.20 General

Previous period's figures have been rearranged, wherever necessary, to conform to current year's presentation.

Note-4 :Property, plant and equipment

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Particulars	Note	Leasehold buildings	Machinery	Tools and equipment	Electrical equipment	Office equipment	Vehicles	Furniture and fittings	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost:									
As at 1 July 2021		-	253,292,623	10,433,499	28,319,083	8,306,181	10,513,173	4,445,838	315,310,397
Additions during the year		751,210	1,864,851	-	2,085,099	4,536,384	6,333,223	1,306,942	16,877,709
As at 30 June 2022		751,210	255,157,474	10,433,499	30,404,182	12,842,565	16,846,396	5,752,780	332,188,106
Depreciation:									
As at 1 July 2021		-	223,672,030	9,932,008	26,938,555	6,123,876	7,620,377	4,173,627	278,460,473
Charge during the year	4.01	37,560	11,808,260	184,941	794,841	1,686,593	2,262,475	255,539	17,030,209
As at 30 June 2022		37,560	235,480,290	10,116,949	27,733,396	7,810,469	9,882,852	4,429,166	295,490,682
As at 30 June 2022		713,650	19,677,184	316,550	2,670,786	5,032,096	6,963,544	1,323,614	36,697,424
At 30 June 2021									
Particulars	Note	Leasehold buildings	Machinery	Tools and equipment	Electrical equipment	Office equipment	Vehicles	Furniture and fittings	Total
		Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost:									
As at 1 July 2020		92,538,873	527,350,317	10,433,499	28,555,393	7,221,831	12,967,633	4,419,638	683,487,184
Additions during the year		-	2,974,528	-	272,390	1,084,350	-	26,200	4,357,468
Disposals during the year	4.02	(92,538,873)	(277,032,222)	-	(508,700)	-	(2,454,460)	-	(372,534,255)
As at 30 June 2021		-	253,292,623	10,433,499	28,319,083	8,306,181	10,513,173	4,445,838	315,310,397
Depreciation:									
As at 1 July 2020		74,587,262	478,802,973	9,620,438	26,499,479	5,109,097	6,480,353	3,977,344	605,076,946
Charge during the year	4.01	17,951,611	16,463,838	311,570	736,694	1,014,779	2,173,608	196,283	38,848,383
Adjustments for disposals	4.02	(92,538,873)	(271,594,781)	-	(297,618)	-	(1,033,584)	-	(365,464,856)
As at 30 June 2021		-	223,672,030	9,932,008	26,938,555	6,123,876	7,620,377	4,173,627	278,460,473
As at 30 June 2021		-	29,620,593	501,491	1,380,528	2,182,305	2,892,796	272,211	36,849,924



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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
4.01 Depreciation allocated to:			
Cost of sales (Property, plant and equipment)	25.00	13,267,398	35,788,276
Cost of sales (Right-of-use asset)	25.00	11,889,012	5,008,701
Operating expenses (Property, plant and equipment)	27.00	3,762,811	3,060,107
		<u>28,919,221</u>	<u>43,857,084</u>

4.02 Disposal of property, plant and equipment

Particulars	Original cost	Accumulated depreciation	Book value	Sale value	Mode of disposal
	Taka	Taka	Taka	Taka	
Leasehold buildings	92,538,873	92,538,873	-	-	Lease period over
Machinery	277,032,222	271,594,781	5,437,441	2,800,000	Sale
Electrical equipment	508,700	297,618	211,082	211,082	Sale
Vehicles	2,454,460	1,033,584	1,420,876	1,738,603	Sale
2020-2021	<u>372,534,255</u>	<u>365,464,856</u>	<u>7,069,399</u>	<u>4,749,685</u>	



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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
5.00 Right-of-use asset (ROU):Tk.116,965,297			
Cost			
Opening balance		100,174,012	-
Additions during the year		33,688,998	100,174,012
Disposals during the year		-	-
Closing balance		133,863,010	100,174,012
Accumulated depreciation			
Opening balance		5,008,701	-
Charge during the year	25.00	11,889,012	5,008,701
Adjustments for disposals		-	-
Closing balance		16,897,713	5,008,701
Balance		116,965,297	95,165,311
6.00 Investments:Tk.88,527,133			
Investment (at cost)			
Quoted			
Reliance Insurance Limited		2,593,478	2,593,478
Pubali Bank Limited		322,520	322,520
IDLC Finance Limited		42,882,460	42,882,460
National Housing Finance and Investment Limited (NHFIL)		41,159,225	41,159,225
		86,957,683	86,957,683
Unquoted			
Central Depository Bangladesh Limited (CDBL)		1,569,450	1,569,450
		88,527,133	88,527,133
Quoted (at fair value)			
Reliance Insurance Limited (1,216,155 shares)	6.01	74,793,532	134,749,974
Pubali Bank Limited (1,667,272 shares)	6.02	44,015,981	43,349,072
IDLC Finance Limited (5,487,218 shares)	6.03	263,386,464	313,032,728
National Housing Finance and Investment Ltd. (5,635,603 shares)	6.04	253,038,575	258,110,617
		635,234,552	749,242,391
Unquoted - at cost:			
Central Depository Bangladesh Limited (CDBL) (571,181 ordinary shares)		1,569,450	1,569,450
		636,804,002	750,811,841

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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
6.01	Fair value of the shares as at 30 June 2022 of Reliance Insurance Limited was Tk 61.50 each, being quoted market price on that day.		
6.02	Fair value of the shares as at 30 June 2022 of Pubali Bank Limited was Tk 26.40 each, being quoted market price on that day.		
6.03	During the year Company received total 261,296 bonus shares from IDLC Finance Limited. Fair value of the shares as at 30 June 2022 was Tk 48.00 each, being quoted market price on that day.		
6.04	Fair value of the shares as at 30 June 2022 of National Housing Finance & Investment Limited (NHFIL) was Tk 44.90 each, being quoted market price on that day.		
7.00	Fair value adjustment:TK.548,276,869		
Fair value of the investment (Quoted shares)	6.00	635,234,552	749,242,391
Less: Cost price of the investment (Quoted shares)	6.00	86,957,683	86,957,683
		548,276,869	662,284,708
8.00	Loans and deposits:TK.4,902,893		
Cash and article loan to employees		5,163,763	5,724,623
Security and guarantee deposits		2,105,700	1,973,600
		7,269,463	7,698,223
Less : Current portion classified as current assets	11.00	2,366,570	2,499,752
		4,902,893	5,198,471
9.00	Inventories:TK.494,847,967		
Raw materials		257,864,222	221,098,565
Raw materials in transit		99,320,782	4,112,299
Work-in-process		8,501,098	529,401
Finished goods		116,243,713	158,346,223
Promotional goods		906,575	2,418,876
Spare parts		12,011,577	12,130,098
		494,847,967	398,635,462

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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
10.00 Trade and other receivables:TK.67,666,931			
Trade receivables	10.01	62,581,778	61,630,781
Expected credit loss	38.01	(2,191,467)	(2,258,248)
Other receivables	10.02	7,276,620	4,351,966
		67,666,931	63,724,499
10.01 Trade receivables:TK.62,581,778			
Sales to customers :			
Due below six months		53,743,455	51,645,431
Due more than six months		8,838,323	9,985,350
		62,581,778	61,630,781
10.02 Other receivables:TK.7,276,620			
Transcom Foods Ltd.		-	539,225
Sena Kalyan Sangstha		131,732	131,732
National Housing Finance and Investment Limited (FDR interest receivable)		1,286,621	1,224,763
IDLC Finance Limited (FDR interest receivable)		4,692,159	1,025,000
Miscellaneous		1,166,108	1,431,246
		7,276,620	4,351,966
11.00 Advance, deposit and prepayments:TK.60,349,162			
Advances:			
Current portion of cash and article loan to employees	8.00	2,366,570	2,499,752
VAT current account		6,949,365	6,949,365
Advance to employees		5,498,427	2,838,592
Advance for goods-in-transit		20,995,555	11,642,345
Advance to suppliers		11,021	546,596
		35,820,938	24,476,650
Deposits:			
Customs deposits		216	216
Prepayment:			
Prepaid expenses		24,528,008	9,271,009
		60,349,162	33,747,875
12.00 Advance income tax:Tk.326,364,582			
Opening Balance		391,663,472	346,703,583
Add: Tax deducted at source		45,750,345	44,959,889
Less: Adjustment for completed assessment		111,049,235	-
Closing Balance		326,364,582	391,663,472

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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
13.00 Cash and cash equivalent:TK.315,862,822			
Cash in hand		19,782	46,296
Balance with banks:			
Standard Chartered Bank Ltd. - Kawran Bazar, Dhaka - C/A - 49401		8,620	12,946
South East Bank Ltd. - Kawran Bazar, Dhaka - C/A - 00945		6,784,001	1,146
South East Bank Ltd. - Banani, Dhaka - C/A - 7583		5,518,064	683,336
South East Bank Ltd. - Kawran Bazar, Dhaka - C/A - 02375		24,191	25,053
South East Bank Ltd. - Banani, Dhaka - O/D - 00198		581,164	8,617,810
AB bank Ltd-Kawran Bazar Dhaka C/A No- 44000		4,433,930	122,874
Dutch-Bangla Bank Ltd. - Banani, Dhaka - C/A - 19889		12,574,997	15,872,790
Dhaka Bank Ltd. - Kawran Bazar, Dhaka - C/A - 07781		12,345,379	3,736,370
Dhaka Bank Ltd. - Local Office, Dhaka. O/D - 01967		581,424	-
BRAC Bank Ltd. - Gulshan, Dhaka - C/A - 31001		7,362,290	2,582,198
The City Bank Ltd. - Gulshan, Dhaka - C/A - 75001		1,375,015	188,350
Eastern Bank Ltd. - Gulshan, Dhaka. C/A - 44541		794,862	285,557
Eastern Bank Ltd. - Gulshan, Dhaka. C/A - 17176		1,006,048	-
Eastern Bank Ltd. - Principal Branch, Dhaka. O/D - 00174		3,053,563	-
Cash at fixed deposit:			
IDLC Finance Limited		190,482,525	60,000,000
National Housing Finance and Investment Limited (NHFIL)		68,916,967	65,569,624
Cash and cash equivalent		315,862,822	157,744,350

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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021

14.00 Share capital: TK.93,706,080

Authorized:			
50,000,000 ordinary shares of Tk 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued and fully paid up:			
9,370,608 ordinary shares of Tk 10 each	14.01	<u>93,706,080</u>	<u>93,706,080</u>

Out of 9,370,608 ordinary shares issued and paid up; 675,400 shares were allotted for cash; 826,300 shares for consideration other than cash and the remaining 7,868,908 shares were issued as fully paid bonus shares.

14.01 Composition of shareholding

Note	30 June 2022		30 June 2021	
	No. of shares	Percentage	No. of shares	Percentage
Transcom Ltd.	5,068,336	54.09%	5,068,336	54.09%
Transcom Electronics Ltd.	650,000	6.94%	650,000	6.94%
ICB	10,393	0.11%	78,968	0.84%
Foreign investors 41.00	2,665	0.03%	2,665	0.03%
Individuals	2,810,144	29.99%	2,662,148	28.41%
Other institutional investors	829,070	8.84%	908,491	9.69%
	<u>9,370,608</u>	<u>100%</u>	<u>9,370,608</u>	<u>100%</u>

The foreign investors have already sold their shares, but those shares have not been transferred in the name of buyers as at 30 June 2022.

Classification of shares by holding:

Holdings	Number of holders		% Of total holding	
	At 30 June 2022	At 30 June 2021	At 30 June 2022	At 30 June 2021
1 to 500 shares	3,586	2,664	4.2	4.2
501 to 5000 shares	869	870	14.7	14.9
5,001 to 10,000 shares	56	82	4.4	6.2
10,001 to 20,000 shares	42	24	6.5	3.5
20,001 to 30,000 shares	14	8	3.7	2.1
30,001 to 40,000 shares	3	1	1.0	0.4
40,001 to 50,000 shares	4	3	2.0	1.4
50,001 to 100,000 shares	1	3	1.1	2.5
100,001 to 1,000,000 shares	2	2	8.3	10.7
Over 1,000,000 shares	1	1	54.1	54.1
	<u>4,578</u>	<u>3,658</u>	<u>100.0</u>	<u>100.0</u>

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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021

15.00 Reserves and surplus:TK.758,916,445

Capital reserve	15.01	2,305,167	2,305,167
General reserve		180,895,763	151,881,545
Fair value reserve		493,449,182	596,056,237
Retained earnings		82,266,333	47,755,434
		758,916,445	797,998,383

15.01 Capital reserve

Capital reserve was created in 1982 on restructuring of the business.

16.00 Deferred liability - gratuity payable:TK.20,752,800

Opening Balance	38,185,618	54,734,999
Add: Provision during the year	4,916,357	4,391,129
	43,101,975	59,126,128
Less: Payment during the year	22,349,175	20,940,510
	20,752,800	38,185,618

17.00 Deferred tax liability/ (assets):TK.46,855,548

Deferred tax liability/ (assets) is arrived at as follows:

Particulars	Carrying Amount	Tax base	Taxable/ (deductible) temporary difference
At 30 June 2022			
Property, plant and equipment	36,697,424	45,445,422	(8,747,998)
Right-of-use assets	3,739,464	-	(3,739,464)
Gratuity payable	20,752,800	-	(20,752,800)
Expected credit loss on trade receivables	2,191,467	-	(2,191,467)
Total taxable/ (deductible) temporary difference			(35,431,729)
Applicable tax rate			22.50%
Deferred tax asset			(7,972,139)
Available for sale financial assets	548,276,869	-	548,276,869
Applicable tax rate			10.00%
Deferred tax liability			54,827,687
Total deferred tax liability			46,855,548
At 30 June 2021			
Property, plant and equipment	36,849,924	40,297,625	(3,447,701)
Right-of-use assets	1,782,985	-	(1,782,985)
Gratuity payable	38,185,618	-	(38,185,618)
Expected credit loss on trade receivables	2,258,248	-	(2,258,248)
Total taxable/ (deductible) temporary difference			(45,674,552)
Applicable tax rate			22.50%
Deferred tax asset			(10,276,774)
Available for sale financial assets	662,284,708	-	662,284,708
Applicable tax rate			10.00%
Deferred tax liability			66,228,471
Total deferred tax liability			55,951,697

Bangladesh Lamps Limited
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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
Movement of deferred tax liability:			
Opening balance		55,951,697	23,982,297
Provision/(reversal) during the year		2,304,635	(391,253)
Provision/(reversal) during the year (OCI)		(11,400,784)	32,360,653
Closing balance		46,855,548	55,951,697

18.00 Leases

Lease liabilities recognized in statement of financial position:

Lease liabilities - Current portion	20,400,000	15,000,000
Lease liabilities - Non-current portion	102,087,747	81,948,296
	122,487,747	96,948,296

Amounts recognized in profit or loss:

Interest on lease liabilities	9,550,453	4,274,284
Depreciation expense of RoU Assets	11,889,012	5,008,701
	21,439,465	9,282,985

Amounts recognized in statement of cash flows:

Payment of lease liability- Financing activities	8,149,547	3,225,716
Interest on lease liabilities- Operating activities	9,550,453	4,274,284
	17,700,000	7,500,000

19.00 Short term finance:TK.668,066,546

Eastern Bank Limited:	19.01		
Bank overdraft		-	55,231,254
Import loan		213,551,062	226,298,804
Short term loan		-	9,200,000
		213,551,062	290,730,058
Dhaka Bank Limited:	19.02		
Bank overdraft		34,976,202	59,648,810
Import loan		414,008,439	45,505,286
		448,984,641	105,154,096
Southeast Bank Limited:	19.03		
Bank overdraft		-	15,089,259
Import loan		5,530,843	6,983,666
		5,530,843	22,072,925
		668,066,546	417,957,079

19.01 Total bank overdraft, short term loan (Demand Loan) and import loan /LC facility with Eastern Bank Limited, Dhaka at 30 June 2022 were Tk 60 million, Tk 50 million and Tk 350 million respectively with interest @ 8.00 % p.a. for the overdraft facilities subject to revision from time to time & 7.00% p.a. for short term loan. Interest is charged on quarterly basis.

However, most of the imports of the company are financed through offshore loans (UPAS L/C) of six months tenure which bear LIBOR/SOFR plus confirmations and arrangement fees @ 2.30% p.a.

Bangladesh Lamps Limited
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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021

19.02 Total bank overdraft, stimulus package overdraft and import loan/LC facility limit with Dhaka Bank Limited, Dhaka at 30 June 2022 were Tk 15 million, Tk 35 million and Tk 420 million respectively with interest @ 8.00 % for the overdraft facilities subject to revision from time to time & @ 4.50 % p.a for stimulus overdraft facilities. Interest is charged on quarterly basis.

However, most of the imports of the company are financed through offshore loans (UPAS L/C) of six months tenure which bear LIBOR/SOFR plus confirmations and arrangement fees @ 2.30% p.a.

19.03 Total bank overdraft and import loan/LC facility limit with Southeast Bank Limited, Dhaka at 30 June 2022 were Tk 50 million and Tk 60 million respectively with interest @ 9.00 % for the overdraft facilities subject to revision from time to time. Interest is charged on quarterly basis.

However, most of the imports of the company are financed through offshore loans (UPAS L/C) of six months tenure which bear LIBOR plus confirmations and arrangement fees @ 2.85% p.a.

19.04 Securities against overdraft and import loans

These loans are secured by registered first ranking pari-passu charge among Eastern Bank Limited, Principal Branch, Dhaka, Southeast Bank Limited, Banani Branch, Dhaka and Dhaka Bank Limited, Local Office Branch, Dhaka on the basis of pari-passu security sharing agreement as under.

- i. Registered hypothecation over duly insured stocks of all moveable assets including raw materials, work-in-process and finished goods covering the risks for fire, earthquake (Fire/Shock), explosion aircraft damage, bursting of pipes and electrical clause-B.
- ii. Registered hypothecation over book debts of the company.
- iii. Corporate guarantee of Transcom Limited.
- iv. Registered hypothecation over duly insured plant and machinery covering the risks for fireearthquake (Fire/Shock), explosion aircraft damage, bursting of pipes and electrical clause-B.

20.00 Trade and other payables:TK.127,812,271

For goods	59,429,820	50,334,506
For expenses	68,382,451	73,783,661
	127,812,271	124,118,167

Trade and other payables include payables to various parties on account of supply of goods and business expenses including trade promotions, replacements and selling and distribution expenses.

21.00 Other liabilities:TK.32,754,244

WPPF contribution	5,908,692	3,547,976
Wages and salaries	7,647,731	9,244,301
Canteen expenses	2,724,443	1,658,105
Energy cost	640,945	572,018
Telephone and fax	384,726	438,814
Audit fees (including WPPF and PF audit)	437,500	437,500
Legal advisor's fees	217,334	244,338
Provision for royalty	5,188,847	53,415,817
Security deposit	293,067	363,067
VAT payable	9,236,137	8,964,415
Withholding tax	74,822	41,086
	32,754,244	78,927,437

21.01

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Particulars	Note	Amount in Taka	
		30 June 2022	30 June 2021
21.01 Provision for royalty:TK,5,188,847			
Opening Balance		53,415,817	58,561,251
Add: Provision during the year		5,448,205	5,401,721
		58,864,022	63,962,972
Less: Payment/adjustment during the year		53,675,175	10,547,155
Closing balance	21.02	5,188,847	53,415,817

21.02 Closing balance comprises of the following:

For Philips brand	1,495,713	50,494,938
For Transtec brand	3,693,134	2,920,879
	5,188,847	53,415,817

This represents amount payable to Koninklijke Philips Electronics N.V. (previously known as Philips International B.V.), the Netherlands, @ 3.6% royalty on net sales of Philips brand electric bulbs (GLS) and to Transcom Limited @ 0.25% royalty on the net sales of 'Transtec' brand products.

22.00 Unclaimed dividend:TK.1,728,699

Opening Balance	15,416,313	14,863,486
Cash dividend for 2020-2021/2019-2020	18,741,216	9,370,608
Dividend paid for the year	(32,428,830)	(8,817,781)
	1,728,699	15,416,313

As per the Bangladesh Securities and Exchange Commission (BSEC) directive BSEC/CMRRCD/2021-386/03 dated January 14, 2021, the company has transferred Tk 12,178,663.38 vide PO No 1854297 dated 29 August, 2021 and 2,077,568.70 vide PO No 1873020 dated 23 May 2022 to the Capital Market Stabilization Fund (CMSF).

22.01 Aging analysis of unclaimed dividend

Period	Prior to Jun 2018	2018-2019	2019-2020	2020-2021	Total
Unclaimed dividend at 30 June 2022	-	628,525	381,457	718,717	1,728,699

Period	Prior to Jun 2017	2017-2018	2018-2019	2019-2020	Total
Unclaimed dividend at 30 June 2021	12,246,770	2,121,978	652,588	394,977	15,416,313

23.00 Provision for tax:TK.187,380,700

Opening Balance	214,332,135	190,736,807
Add: Provision for the year	29,041,719	23,595,328
Add: Short provision	4,561,143	-
Less: Adjustment for completed assessment	60,554,297	-
Closing Balance	187,380,700	214,332,135

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Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
24.00 Revenue:TK.1,627,402,587			
Energy saving LED bulbs			
Sales		1,269,416,850	1,042,034,558
Less: VAT		185,599,179	150,328,304
		1,083,817,671	891,706,254
Energy saving LED tube lights			
Sales		485,114,580	369,836,247
Less: VAT		68,660,339	53,159,144
		416,454,241	316,677,103
Electric bulbs	24.01		
Sales		142,827,326	178,416,901
Less: VAT		20,094,468	26,732,030
		122,732,858	151,684,871
Electrical accessories			
Sales		5,262,921	12,074,353
Less: VAT		865,104	1,940,462
		4,397,817	10,133,891
Net sales		1,627,402,587	1,370,202,119

24.01 This includes net sales of Philips Brand GLS bulbs of Taka 41,547,613 for the year ended Jul'21-Jun'22, and Taka 58,991,490 for the year ended Jul'20-Jun'21.

	<u>30 June 2022</u>	<u>30 June 2021</u>
	<u>Quantity</u>	<u>Quantity</u>
24.02 Sales Quantity		
Energy saving LED bulbs	8,297,990	6,560,542
Energy saving LED tube lights	1,556,755	1,339,898
Electric bulbs	7,444,879	9,703,524
Electrical accessories	145,707	453,166



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Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
25.00 Cost of sales:TK.1,229,087,640			
Opening stock of raw materials		221,098,565	222,704,969
Purchase during the year		1,099,644,751	880,313,664
Closing stock of raw materials		(257,864,222)	(221,098,565)
Raw materials consumed	25.01	1,062,879,094	881,920,068
Salaries and wages		74,976,131	87,388,986
Gratuity		2,512,439	2,673,213
Contribution to provident fund		1,846,238	2,171,505
Medical expenses		1,621,451	2,053,404
Staff welfare expenses		3,174,413	4,367,432
Canteen expenses		9,276,764	9,574,077
Power and fuel		5,786,023	9,615,152
Repairs and maintenance - General		1,440,340	2,092,092
Repairs and maintenance - Machinery		130,592	273,897
Stores and spares consumed		1,945,921	1,582,305
Rent, rates and taxes		-	4,303,140
Insurance		928,994	1,047,395
Telephone and fax		203,008	382,285
Travelling and conveyance		931,552	1,126,090
Vehicle running expenses		398,191	154,280
Computer & IT expenses		36,854	18,399
Printing and stationery		685,854	640,347
Licence and registration fees		3,450	174,175
Depreciation (Property, plant and equipment)	4.01	13,267,398	35,788,276
Depreciation (Right-of-use asset)	4.01	11,889,012	5,008,701
		1,193,933,719	1,052,355,219
Opening work-in-process		529,401	967,407
Closing work-in-process	25.02	(8,501,098)	(529,401)
Cost of production		1,185,962,022	1,052,793,225
Opening stock of finished goods		158,346,223	144,962,207
Finished goods purchased during the year		1,023,108	411,115
Closing stock of finished goods	9.00	(116,243,713)	(158,346,223)
		1,229,087,640	1,039,820,324

Bangladesh Lamps Limited
Notes to the Financial Statements
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25.01 Raw materials consumed: TK.1,062,879,094

2021-2022				
Description	Opening stock	Purchase	Closing stock	Consumption
	Value	Value	Value	Value
	Taka	Taka	Taka	Taka
Imported:				
Energy saving LED bulbs	109,894,135	622,170,394	114,271,148	617,793,381
Energy saving LED tube lights	69,040,380	287,008,040	107,327,350	248,721,070
Electric bulbs	20,100,481	20,583,470	12,630,769	28,053,182
Electrical accessories	7,405,279	3,927,277	7,952,417	3,380,139
Imported total	206,440,275	933,689,181	242,181,684	897,947,772
Local:				
Energy saving LED bulbs	6,404,584	66,665,184	5,885,186	67,184,582
Energy saving LED tube lights	5,116,749	30,574,419	6,671,213	29,019,955
Electric bulbs	2,759,318	68,543,967	2,755,698	68,547,587
Electrical accessories	377,639	172,000	370,441	179,198
Local total	14,658,290	165,955,570	15,682,538	164,931,322
Grand total	221,098,565	1,099,644,751	257,864,222	1,062,879,094

Out of the total raw materials consumed, 84% was imported and the rest 16% was procured from local sources.



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2020-2021				
Description	Opening stock	Purchase	Closing stock	Consumption
	Value	Value	Value	Value
	Taka	Taka	Taka	Taka
Imported:				
Energy saving LED bulbs	112,626,929	499,478,332	109,894,135	502,211,126
Energy saving LED tube lights	70,216,161	192,648,380	69,040,380	193,824,161
Electric bulbs	14,224,116	41,717,012	20,100,481	35,840,647
Electrical accessories	10,622,302	-	7,405,279	3,217,023
Imported total	207,689,508	733,843,724	206,440,275	735,092,957
Local:				
Energy saving LED bulbs	5,995,765	53,157,053	6,404,584	52,748,234
Energy saving LED tube lights	3,901,266	28,040,948	5,116,749	26,825,465
Electric bulbs	4,139,524	64,308,710	2,759,318	65,688,916
Electrical accessories	978,906	963,229	377,639	1,564,496
Local total	15,015,461	146,469,940	14,658,290	146,827,111
Grand total	222,704,969	880,313,664	221,098,565	881,920,068

Out of the total raw materials consumed, 83% was imported and the rest 17% was procured from local sources.



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25.02 Break up of work-in-process:TK.8,501,098

<u>Description</u>	<u>30 June 2022</u>		<u>30 June 2021</u>	
	<u>Quantity (Pc)</u>	<u>Value (Taka)</u>	<u>Quantity (Pc)</u>	<u>Value (Taka)</u>
Energy saving LED bulbs:				
Unpacked lamps	114,150	8,059,515	10,572	529,401
		8,059,515		529,401
Energy saving LED tube lights:				
Unpacked lamps	969	206,787	-	-
		206,787		-
Electric bulbs:				
Mounted feet lamps	-	-	-	-
Unmounted feet lamps	-	-	-	-
Uncapped lamps	6,000	43,111	-	-
Unpacked lamps	16,380	184,233	-	-
Chemicals	-	7,452	-	-
		234,796		-
		8,501,098		529,401
	30 June 2022		30 June 2021	
	Quantity		Quantity	

25.03 Closing stock of finished goods (in units)

Energy saving LED bulbs	586,263	956,968
Energy saving LED tube lights	109,650	244,086
Electric bulbs	913,744	988,051
Electrical accessories	32,017	134,336

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Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
26.00 Other income:TK.22,933,319			
Dividend income	26.01	22,844,723	32,243,520
Cost recovery		-	3,553,332
Forfeited account employer's contribution to provident fund		88,596	-
Loss on disposal of plant, property and equipment		-	(2,319,714)
		22,933,319	33,477,138
26.01	Dividend income represents dividend received in cash from investment in share of Reliance Insurance Limited, IDLC Finance Limited, Central Depository Bangladesh Limited (CDBL), National Housing Finance and Investment Limited, and Pubali Bank Limited.		
27.00 Operating expenses:TK.275,092,824			
Salaries & benefits		91,640,589	91,195,058
Gratuity		2,403,918	1,717,916
Contribution to provident fund		1,483,146	1,464,365
Medical expenses		3,664,354	3,542,958
Computer & IT expenses		3,954,391	3,803,113
Rent, rates and taxes		3,027,127	2,166,674
Fuel and power		1,509,130	1,524,543
Insurance		234,416	244,756
Repairs and maintenance		420,333	578,518
Vehicle running expenses		9,037,812	5,408,031
Travelling and conveyance		13,773,410	12,948,197
Licence and registration fees		1,212,486	1,035,572
Postage and stamps		331,174	132,836
Directors' fees		737,000	770,000
Legal and professional expenses		447,484	458,540
Auditors' remuneration		450,002	375,002
Bank charges		994,973	3,529,670
Periodicals and journals		509,106	234,800
Entertainment		2,515,910	1,795,422
Printing and stationery		3,579,713	2,844,536
Telephone and fax		2,084,477	2,495,845
Royalty		5,448,205	5,401,721
Selling and distribution expenses		64,863,969	55,676,663
Replacement Cost		23,574,558	26,437,610
Sales promotion and publicity		33,432,330	41,710,674
Depreciation (Property, plant and equipment)	4.01	3,762,811	3,060,107
		275,092,824	270,553,127
28.00 Finance cost:TK.32,994,518			
On short term finance		17,767,519	19,530,569
Finance cost on lease liability		9,550,453	4,274,284
Foreign exchange (gain) or loss		5,676,546	(360,471)
		32,994,518	23,444,382
29.00 Finance income :TK.10,921,598			
Interest income		10,822,210	4,540,971
Interest on cash loan to employees		99,388	105,090
		10,921,598	4,646,061

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Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
30.00 Income tax expenses:TK.(35,907,497)			
Current tax during the year	30.01	(29,041,719)	(23,595,328)
Short provision		(4,561,143)	-
Deferred tax	17.00	(2,304,635)	391,253
		(35,907,497)	(23,204,075)

30.01 Reconciliation of effective tax rate

	30 June 2022		30 June 2021	
	%	Taka	%	Taka
Profit/(loss) before tax as per P&L		118,173,830		70,959,509
Profit/(loss) before tax after excluding other income		95,240,511		35,162,657
Tax using the Company's tax rate	18.1%	21,429,115	11.1%	7,911,598
Tax effect of Provision for non-deductible expenses	9.6%	11,374,931	18.6%	13,207,690
Adjustment/provision released during the year	-7.1%	(8,351,206)	-6.7%	(4,772,163)
Other income	3.9%	4,588,879	10.2%	7,248,203
	24.6%	29,041,719	33.3%	23,595,328

31.00 Changes in fair value of shares available for sale:TK.(114,007,839)

Closing fair value reserve	7.00	548,276,869	662,284,708
Less: Opening fair value reserve		662,284,708	338,678,180
		(114,007,839)	323,606,528

32.00 Basic Earnings per share

The computation of EPS is given below:

A. Earnings attributable to ordinary	82,266,333	47,755,434
B. Weighted average number of ordinary shares outstanding at the year end	9,370,608	9,370,608
Basic Earnings Per Share (EPS) (A/B)	8.78	5.10

32.01 Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year.

33.00 Net asset value per share (NAV)

The computation of NAV is given below:

A. Net asset	852,622,525	891,704,463
B. Weighted average number of ordinary shares outstanding at the year end	9,370,608	9,370,608
Net asset value per share (NAV) (A/B)	90.99	95.16

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Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
37.00 Remuneration of Directors and Officers			
		30 June 2022	
		Directors	Officers
No. of Directors & Officers		9	104
		30 June 2021	
		Directors	Officers
No. of Directors & Officers		9	106
		Taka	Taka
Fees		737,000	-
Remuneration		-	60,038,101
Provident fund contribution		-	1,488,135
Provision for gratuity		-	2,742,854
Housing		-	10,094,770
Other perquisites		-	4,403,300
		737,000	78,767,160
		770,000	73,732,523

37.01 Key Management Compensation

Short-term employee benefits	21,396,938	13,515,187
Other long-term benefits (PF and gratuity)	1,215,098	895,468
Post- employment benefits	-	-
Termination benefits	-	-
Share-based payment benefits	-	-
	22,612,036	14,410,655

38.00 Financial instrument disclosure

Financial Risk Management

The company's management has overall responsibility for the establishment and oversight of the company's risk management framework.

The company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

The note provides information about the company's exposure of the above risks.

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38.01 Credit risk

- a) Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. Most of the trade receivable amounts are secured by bank guarantee received from distributors.

Set out below is the information about the credit risk exposure on the company's trade receivables and contract assets using a provision matrix.

	Invoiced 0-30 days	Invoiced 31-60 days	Invoiced 61-90 days	Invoiced 91-120 days	Invoiced 121-180 days	Invoiced 181-365 days	Invoiced above 365 days	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2022								
Trade receivables	33,293,789	8,951,685	5,501,363	3,164,595	2,832,023	2,095,655	6,742,668	62,581,778
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	3.88%	14.46%	26.38%	
Expected credit loss amount	-	-	-	-	109,876	302,937	1,778,654	2,191,467
At 30 June 2021								
Trade receivables	40,723,395	6,260,714	2,227,137	1,118,860	1,315,325	2,815,344	7,170,006	61,630,781
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	8.06%	12.71%	25.03%	
Expected credit loss amount	-	-	-	-	105,980	357,690	1,794,578	2,258,248



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b) Exposure to credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	<u>30 June 2022</u> <u>Taka</u>	<u>30 June 2021</u> <u>Taka</u>
Trade receivables	62,581,778	61,630,781
Other receivables	7,276,620	4,351,966
Cash at bank	315,843,040	157,698,054
	<u>385,701,438</u>	<u>223,680,801</u>

The maximum exposure to credit risk for trade receivables at the reporting date by product category was:

Energy saving LED bulbs	41,678,216	40,108,355
Energy saving LED tube lights	16,014,751	14,243,926
Electric bulbs	4,719,693	6,822,685
Electrical accessories	169,118	455,815
	<u>62,581,778</u>	<u>61,630,781</u>
	<u>30 June 2022</u> <u>Taka</u>	<u>30 June 2021</u> <u>Taka</u>

c) Ageing of trade receivables

The ageing of gross trade receivables at the reporting date was:

Invoiced 0-30 days	33,293,789	40,723,395
Invoiced 31-60 days	8,951,685	6,260,714
Invoiced 61-90 days	5,501,363	2,227,137
Invoiced 91-120 days	3,164,595	1,118,860
Invoiced 121-180 days	2,832,023	1,315,325
Invoiced 181-365 days	2,095,655	2,815,344
Invoiced above 365 days	6,742,668	7,170,006
	<u>62,581,778</u>	<u>61,630,781</u>

d) Ageing of other receivables

The ageing of other receivables at the reporting date was:

Invoiced 0-30 days	7,144,888	4,220,234
Invoiced 31-60 days	-	-
Invoiced 61-90 days	-	-
Invoiced 91-120 days	-	-
Invoiced 121-180 days	-	-
Invoiced 181-365 days	-	-
Invoiced above 365 days	131,732	131,732
	<u>7,276,620</u>	<u>4,351,966</u>

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38.02 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with the financial liabilities. The following are the contractual maturities of financial liabilities:

	<u>Carrying amount</u> <u>Taka</u>	<u>Contractual cash flows</u> <u>Taka</u>	<u>6 months or less</u> <u>Taka</u>	<u>6-12 months</u> <u>Taka</u>	<u>1-2 years</u> <u>Taka</u>	<u>2-5 years</u> <u>Taka</u>	<u>More than 5 years</u> <u>Taka</u>
At 30 June 2022							
Non-derivative financial liabilities:							
Trade payables	59,429,820	59,429,820	59,429,820	-	-	-	-
Payables for expenses	68,382,451	68,382,451	65,233,515	-	-	-	3,148,936
Other liabilities	32,754,244	32,754,244	30,133,650	2,327,527	-	-	293,067
Unclaimed dividend	1,728,699	1,728,699	-	718,717	381,457	628,525	-
Derivative financial liabilities	-	-	-	-	-	-	-
	162,295,214	162,295,214	154,796,985	3,046,244	381,457	628,525	3,442,003
At 30 June 2021							
Non-derivative financial liabilities:							
Trade payables	50,334,506	50,334,506	50,334,506	-	-	-	-
Payables for expenses	73,783,661	73,783,661	70,634,725	-	-	-	3,148,936
Other liabilities	78,927,437	78,927,437	27,344,321	2,848,804	2,200,866	15,186,643	31,346,803
Unclaimed dividend	15,416,313	15,416,313	-	394,977	652,588	3,884,081	10,484,667
Derivative financial liabilities	-	-	-	-	-	-	-
	218,461,917	218,461,917	148,313,552	3,243,781	2,853,454	19,070,724	44,980,406



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38.03 Market risk

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in exchange rate. The company is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies.

The Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

i) Exposure to currency risk

	<u>30 June 2022</u>		<u>30 June 2021</u>	
	<u>BDT</u>	<u>USD</u>	<u>BDT</u>	<u>USD</u>
Foreign currency denominated assets	-	-	-	-
	-	-	-	-
Foreign currency denominated liabilities				
Trade payables	(95,228,709)	(1,018,488.87)	(4,052,965)	(47,710.00)
	(95,228,709)	(1,018,488.87)	(4,052,965)	(47,710.00)
Net exposure	(95,228,709)	(1,018,488.87)	(4,052,965)	(47,710.00)

The following significant exchange rates are applied during the period:

	<u>Exchange rates as</u>	
	<u>30 June 2022</u>	<u>30 June 2021</u>
	<u>Taka</u>	<u>Taka</u>
US Dollar (USD)	93.50	84.95



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ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A 10% change in exchange rate of foreign currencies would have increased/(decreased) equity and profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or loss		Equity	
	<u>10% increase</u> <u>Taka</u>	<u>10% decrease</u> <u>Taka</u>	<u>10% increase</u> <u>Taka</u>	<u>10% decrease</u> <u>Taka</u>
<u>30 June 2022</u>				
Expenditures denominated in USD	(9,522,871)	9,522,871	(9,522,871)	9,522,871
Exchange rate sensitivity	(9,522,871)	9,522,871	(9,522,871)	9,522,871
<u>30 June 2021</u>				
Expenditures denominated in USD	(405,296)	405,296	(405,296)	405,296
Exchange rate sensitivity	(405,296)	405,296	(405,296)	405,296

b) Interest rate risk

The risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market interest rate. The interest rate profile of the Company's interest bearing financial instruments were as follows:



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	<u>Carrying amount</u>	
	<u>30 June 2022</u>	<u>30 June 2021</u>
	<u>Taka</u>	<u>Taka</u>
Fixed rate instruments		
<i>Financial assets</i>		
Cash at bank	315,843,040	157,698,054
<i>Financial liabilities</i>		
Long term loan	-	-
Current portion of long term loan	-	-
	<u>-</u>	<u>-</u>
Floating rate instruments		
<i>Financial assets</i>	-	-
<i>Financial liabilities</i>	-	-
Short term finance	668,066,546	417,957,079
	<u>668,066,546</u>	<u>417,957,079</u>

c) Accounting classification and fair values

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	<u>30 June 2022</u>		<u>30 June 2021</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Assets carried at fair value through profit or loss	-	-	-	-
Held to maturity assets	-	-	-	-
Loans and receivables:				
Trade and other receivables	67,666,931	67,666,931	63,724,499	63,724,499
Cash at bank	315,843,040	315,843,040	157,698,054	157,698,054



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	30 June 2022		30 June 2021	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Available for sale of financial assets	-	-	-	-
Investment on shares	636,804,002	636,804,002	750,811,841	750,811,841
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Trade payables	59,429,820	N/A*	50,334,506	N/A*
Payables for expenses	68,382,451	N/A*	73,783,661	N/A*
Other Liabilities	32,754,244	N/A*	78,927,437	N/A*
Unclaimed dividend	1,728,699	N/A*	15,416,313	N/A*
Other non-current liabilities	169,696,095	N/A*	176,085,611	N/A*

* Determination of fair value is not required as per the requirements of IFRS 7 : *Financial Instruments: Disclosure*. However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.



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39.00 Related party transactions

The company in normal course of business has entered into transactions with other entities that fall within the definition of related party contained in IAS: 24 *Related Party Disclosure*. The Company believes that the terms of related party transactions are not significantly different from those that could have been obtained from third parties. The significant related party transactions during the year are as follows:

Name of related party	Relationship	Nature of transactions	Transaction			
			Opening receivable/ (payable) "A"	Addition Amount "B"	Adjustment Amount "C"	Receivable/ (payable) At 30 June 2022 "D=A+B-C"
			<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Transcom Electronics Ltd.	Shareholding company	a) Cost recovery, utilities and distribution expenses	(664,313)	55,538,322	54,874,009	-
		b) Dividend paid	-	1,040,000	1,040,000	-
		c) Sales	-	4,426,211	4,426,211	-
Transcom Foods Ltd.	Group company	a) Cost of accommodation, utility facilities and security cost recovery	539,225	-	539,225	-
		b) Sales	131,460	1,844,387	1,551,672	424,175
Transcom Distribution Company Ltd.	Group company	Sales	160,630	156,971	314,231	3,370
Transcom Limited	Holding company	a) Computer & IT expenses	(16,502,594)	19,355,363	2,852,769	-
		b) Royalty	(2,920,879)	3,180,237	3,952,492	(3,693,134)
		c) Dividend paid	-	8,109,338	8,109,338	-
		d) Sales	-	285,149	285,149	-



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Name of related party	Relationship	Nature of transactions	Transaction			
			Opening receivable/ (payable) "A"	Addition Amount "B"	Adjustment Amount "C"	Receivable/ (payable) At 30 June 2022 "D=A+B-C"
Eskayef Pharmaceutical Ltd.	Group company	Sales	294,842	5,080,929	5,007,154	368,617
Mediastar Ltd.	Group company	Sales	357,352	1,126,500	1,248,880	234,972
Mediaworld Ltd.	Group company	Sales	988	76,240	46,000	31,228
Transcom Consumer Products Ltd.	Group company	Sales	64,521	53,203	112,425	5,299
Transcom Beverages Ltd.	Group company	Sales	1,068,042	7,249,104	7,959,905	357,241
Transcraft Ltd.	Group company	Sales	13,450	75,300	88,750	-
Sena Kalyan Sangstha	Group company	Sales	131,732	-	-	131,732



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40.00 Number of employees

The number of permanent employees receiving remuneration of Tk 36,000 or above per employee per year were 239 as on 30 June 2022 (30 June 2021: 245).

41.00 Dividend to non-resident shareholders

The company's four foreign investors, holding 2,665 shares in aggregate, have already sold their shares. However the buyers had not yet registered those shares in their names up to 30 June 2022.

42.00 Claims against the company not acknowledged as debt

None at 30 June 2022.

43.00 Contingent liability

43.01 There is a contingent liability of Tk. 4.53 million, Tk. 2.29 million, Tk. 7.69 million, Tk. 10.93 million, Tk.4.02 million, Tk.0.89 million with regard to disputed tax claims for the tax assessment year 1999-2000, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 respectively. This matter has been referred to the High Court Division, the outcome of which is yet to be received.

Furthermore, there are contingent liabilities of Tk. 0.52 million and Tk. 3.24 million with regard to unresolved disputed tax claims against the tax Assessment Years (AY) 2019-2020 and 2020-2021 respectively. Appeals against tax disputes for years (AY) 2019-2020 and 2020-2021 have been filed before the Appellate Tribunal.

Disallowances of the expenses being tax disputes were unjust and have no merit and accordingly no additional provision has been made against the disallowances.

43.02 There are contingent liabilities of Tk. 151.82 million and Tk. 3.75 million due to outstanding 'Letter of Credit' and 'Bank Guarantee'.

43.03 Bangladesh Lamps Limited has a pending litigation with koninklijke Philips N.V with regard to the production and distribution of Philips brand GLS lamps. Currently, the Company's business from this segment is not significant and an outcome of this litigation will not have much impact on the operation of the company.

44.00 Capital expenditure commitment

None.

45.00 Receivable from directors

None.

46.00 Events after the reporting period

For the year ended 30 June 2022, the Board of Directors recommended a cash dividend of Tk. 2.00 per share amounting of Tk. 18,741,216 and a stock dividend @7% (i.e. 7 bonus shares for every 100 shares) at the board meeting held on 18 October 2022.