

**Auditors' Report
and
Audited Financial Statements
of
Bangladesh Lamps Limited
For the year ended 30 June 2017**



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**Independent Auditors' Report
to the Shareholders
of
Bangladesh Lamps Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Bangladesh Lamps Limited, which comprise the statement of financial position as at 30 June 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Bangladesh Lamps Limited as at 30 June 2017, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements also comply with the applicable sections of the Companies Act 1994, Securities and Exchange Rules-1987 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d. the expenditure incurred was for the purposes of the Company's business.

Dhaka, Bangladesh
Dated: 07 August 2017



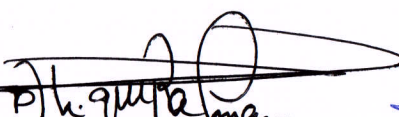
Nurul Faruk Hasan & Co
Chartered Accountants

Bangladesh Lamps Limited
Statement of Financial Position
as at 30 June 2017

	Notes	30 June 2017 Taka	30 June 2016 Taka	31 December 2015 Taka
Assets				
Property, plant and equipment	4	102,272,525	121,963,207	126,333,274
Intangible assets	5	-	-	176,774
Investments:				
At cost	6	88,527,133	55,346,673	55,346,673
Fair value adjustment	7	532,500,999	326,404,505	364,774,914
		621,028,132	381,751,178	420,121,587
Loans and deposits	8	7,366,774	7,063,353	5,298,163
Total non-current assets		730,667,431	510,777,738	551,929,798
Inventories	9	337,402,087	290,689,030	345,043,563
Trade and other debtors	10	204,331,941	204,750,940	179,600,980
Advances, deposits and prepayments	11	12,611,265	12,429,064	8,023,827
Advance income tax	12	230,458,800	196,650,793	181,756,982
Cash and cash equivalents	13	64,548,138	108,143,187	114,702,132
Total current assets		849,352,231	812,663,014	829,127,484
Total assets		1,580,019,662	1,323,440,752	1,381,057,282
Equity				
Share capital	14	93,706,080	93,706,080	93,706,080
Reserves and surplus	15	784,442,510	538,995,817	569,238,120
Total equity		878,148,590	632,701,897	662,944,200
Liabilities				
Deferred liability - gratuity payable	16	50,012,005	52,579,346	47,756,030
Deferred tax liability/(assets)	17	(630,578)	1,304,895	3,468,341
Total non-current liabilities		49,381,427	53,884,241	51,224,371
Current portion of long term loan	18	-	-	7,789,803
Short term finance	19	304,961,210	294,719,937	318,913,518
Trade and other creditors	20	131,491,553	151,367,713	162,302,919
Other liabilities	21	66,731,353	56,609,603	54,196,494
Provision for tax	22	149,305,529	134,157,361	123,685,977
Total current liabilities and provisions		652,489,645	636,854,614	666,888,711
Total liabilities		701,871,072	690,738,855	718,113,082
Total equity and liabilities		1,580,019,662	1,323,440,752	1,381,057,282

The annexed notes 1 to 42 form an integral part of these financial statements.


Mohammad Ruhan Miah
Company Secretary


Atiqur Rahman
Director


Latifur Rahman
Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
Dated: 07 August 2017

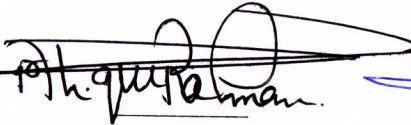

Nurul Faruk Hasan & Co
Chartered Accountants

Bangladesh Lamps Limited
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2017

		For the year ended 30 June 2017	For the 6 months period ended 30 June 2016	For the 18 months period ended 30 June 2017	For the year ended 31 December 2015
	Notes	Taka	Taka	Taka	Taka
Revenue	23	1,219,930,700	624,034,809	1,843,965,509	1,262,861,174
Cost of sales	24	(925,576,129)	(475,950,255)	(1,401,526,384)	(963,562,735)
Gross profit		294,354,571	148,084,554	442,439,125	299,298,439
Other income	25	37,706,987	25,831,304	63,538,291	23,078,772
Operating expenses	26	(259,628,899)	(131,214,424)	(390,843,323)	(271,992,389)
Profit before net finance cost		72,432,659	42,701,434	115,134,093	50,384,822
Finance cost	27	(21,735,264)	(8,732,675)	(30,467,939)	(16,563,253)
Finance income	28	4,493,644	2,967,364	7,461,008	10,101,434
Net finance cost		(17,241,620)	(5,765,311)	(23,006,931)	(6,461,819)
Profit before contribution to WPPF		55,191,039	36,936,123	92,127,162	43,923,003
Contribution to WPPF		(2,628,145)	(1,758,863)	(4,387,008)	(2,091,572)
Profit before income tax		52,562,894	35,177,260	87,740,154	41,831,431
Income tax expenses	29	(13,212,695)	(8,307,938)	(21,520,633)	(10,972,879)
Net profit after tax		39,350,199	26,869,322	66,219,521	30,858,552
Other comprehensive income					
Changes in fair value of shares available for sale	30	206,096,494	(38,370,409)	167,726,085	34,018,727
Total comprehensive income		245,446,693	(11,501,087)	233,945,606	64,877,279
Earnings per share (par value Tk 10 each)	31	4.20	2.87	7.07	3.29

The annexed notes 1 to 42 form an integral part of these financial statements.


Mohammad Ruhan Miah
 Company Secretary


Atiqur Rahman
 Director


Latifur Rahman
 Managing Director

As per our annexed report of same date

Dhaka, Bangladesh
 Dated: 07 August 2017


Nurul Faruk Hasan & Co
 Chartered Accountants

Bangladesh Lamps Limited
Statement of Changes in Equity
for the year ended 30 June 2017

Particulars	Share Capital Taka	Reserves and surplus				Total Taka
		Capital reserve Taka	General reserve Taka	Fair value reserve Taka	Retained earnings Taka	
Balance as at 1 July 2016	93,706,080	2,305,167	183,416,823	326,404,505	26,869,322	538,995,817
Dividend	-	-	-	-	-	-
Total net profit and other comprehensive income for the year:						
Net profit after tax for the year ended 30 June 2017	-	-	-	-	39,350,199	39,350,199
Other comprehensive income	-	-	-	206,096,494	-	206,096,494
Transferred to general reserve	-	-	-	-	-	-
Balance as at 30 June 2017	93,706,080	2,305,167	183,416,823	532,500,999	66,219,521	784,442,510
Balance as at 1 January 2016	93,706,080	2,305,167	171,299,487	364,774,914	30,858,552	569,238,120
Dividend	-	-	-	-	(18,741,216)	(18,741,216)
Total net profit and other comprehensive income for the half year:						
Net profit after tax for the half year ended 30 June 2016	-	-	-	-	26,869,322	26,869,322
Other comprehensive income	-	-	-	(38,370,409)	-	(38,370,409)
Transferred to general reserve	-	-	12,117,336	-	(12,117,336)	-
Balance as at 30 June 2016	93,706,080	2,305,167	183,416,823	326,404,505	26,869,322	538,995,817
Balance as at 1 January 2015	93,706,080	2,305,167	171,299,487	330,756,187	18,741,216	523,102,057
Dividend	-	-	-	-	(18,741,216)	(18,741,216)
Total net profit and other comprehensive income for the year:						
Net profit after tax for the year ended 31 December 2015	-	-	-	-	30,858,552	30,858,552
Other comprehensive income	-	-	-	34,018,727	-	34,018,727
Transferred to general reserve	-	-	-	-	-	-
Balance as at 31 December 2015	93,706,080	2,305,167	171,299,487	364,774,914	30,858,552	569,238,120
						662,944,200

Bangladesh Lamps Limited
Statement of Cash Flows
for the year ended 30 June 2017

	For the year ended 30 June 2017 Taka	For the 6 months period ended 30 June 2016 Taka	For the 18 months period ended 30 June 2017 Taka	For the year ended 31 December 2015 Taka
A. Cash flows from operating activities				
Collection from customers	1,338,237,861	652,279,813	1,990,517,674	1,387,675,459
Payment to suppliers	(787,969,718)	(339,344,815)	(1,127,314,533)	(877,090,257)
Payment to employees	(167,396,637)	(74,888,491)	(242,285,128)	(143,087,480)
Payment for services received	(257,246,588)	(133,315,523)	(390,562,111)	(203,683,557)
VAT paid	(120,999,533)	(50,717,218)	(171,716,751)	(101,233,306)
Contribution to WPPF	(1,758,863)	(2,091,572)	(3,850,435)	(1,458,912)
Contribution to provident fund	(3,104,390)	(1,484,595)	(4,588,985)	(2,729,331)
<i>Cash generated from operation</i>	<u>(237,868)</u>	<u>50,437,599</u>	<u>50,199,731</u>	<u>58,392,616</u>
Cost recovery	4,326,000	606,000	4,932,000	4,186,998
Collection from sale of scrap and others	2,814,950	2,368,538	5,183,488	4,660,657
Interest paid	(16,918,258)	(7,753,085)	(24,671,343)	(6,461,820)
Income tax paid	(33,808,008)	(14,893,810)	(48,701,818)	(32,141,570)
<i>Net cash generated from/(used to) operating activities</i>	<u>(43,823,184)</u>	<u>30,765,242</u>	<u>(13,057,942)</u>	<u>28,636,881</u>
B. Cash flows from investing activities				
Payment for investment in shares	(33,180,460)	-	(33,180,460)	-
Dividend received	27,665,373	19,909,434	47,574,807	14,231,117
Proceeds from sale of property, plant and equipment	120,000	-	120,000	-
Payment for acquisition of property, plant and equipment	(4,306,310)	(7,470,082)	(11,776,392)	(14,889,237)
<i>Net cash inflows/(outflows) from investing activities</i>	<u>(9,701,397)</u>	<u>12,439,352</u>	<u>2,737,955</u>	<u>(658,120)</u>
C. Cash flows from financing activities				
Dividend paid	(311,741)	(17,780,155)	(18,091,896)	(17,755,286)
Repayment of long term loan	-	(7,789,803)	(7,789,803)	(20,651,574)
<i>Net cash inflows/(outflows) from financing activities</i>	<u>(311,741)</u>	<u>(25,569,958)</u>	<u>(25,881,699)</u>	<u>(38,406,860)</u>
D. Net cash inflows/(outflows) for the period (A+B+C)	(53,836,322)	17,634,636	(36,201,686)	(10,428,099)
E. Opening cash and cash equivalents	(186,576,750)	(204,211,386)	(204,211,386)	(193,783,287)
Cash and cash equivalents	108,143,187	114,702,132	114,702,132	59,806,653
Short term finance	(294,719,937)	(318,913,518)	(318,913,518)	(253,589,940)
F. Closing cash and cash equivalents (D+E)	(240,413,072)	(186,576,750)	(240,413,072)	(204,211,386)
Cash and cash equivalents	64,548,138	108,143,187	64,548,138	114,702,132
Short term finance	(304,961,210)	(294,719,937)	(304,961,210)	(318,913,518)

Bangladesh Lamps Limited
Notes to the Financial Statements
as at and for the year ended 30 June 2017

1. 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 institutional and general public including foreign investors.

The address of the head office of the company is Sadar Road, Mohakhali, Dhaka-1206.

1.2 Nature of business

The company produces and sells Philips and Transtec brand electric bulbs, Transtec brand Compact Fluorescent Lamps (CFL), Halogen, Luminiare, Fluorescent Tube Lights (FTL), Starters and Light-emitting diodes (LED) in local market. It also imports and selles ballasts to the local market.

2 Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

The financial statements were authorised for issue by the Board of Directors on 07/08/2017.

2.2 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.

2.3 Reporting period

Financial year of the company covers from 01 July 2016 to 30 June 2017.

2.4 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.

2.5 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.

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.

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: Intangible Assets

Note 9: Inventories

Note 16: Deferred liability - gratuity payable

Note 17: Deferred tax liability/(assets)

Note 20: Trade and other creditors (for expenses)

Note 22: Provision for tax

2.6 Statement of cash flows

Cash flows from operating activities have been presented under direct method as per BAS 7 Statement of cash flows.

3 Significant accounting policies

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

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 Financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash on hand, cheques on hand, balance with banks, short term finance and other payables.

3.2.1 Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale financial assets. Available for sale financial assets are recognised initially at fair value plus any directly attributable transactions costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain and loss accumulated in equity is reclassified to profit or loss. Available-for-sale financial assets comprise equity security.

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 rates of depreciation are summarised as below:

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

3.3.4 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.

3.3.5 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, if any, 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 *BAS 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 financial assets. Subsequent to initial recognition (i.e., at cost), they are measured at fair value and changes therein are recognised in statement of profit or loss and other comprehensive income and presented in the fair value reserve in equity.

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 Trade and other debtors

Trade and other debtors at the date of statement of financial position are stated at amounts which are considered realisable. Almost entire trade debtors amounts are secured by bank guarantee received from customers.

3.8 Payable and accruals

Liabilities are recognised for amounts to be paid in future for goods and services received.

3.9 Employee benefit costs

3.9.1 Gratuity

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. The Company calculated the provisions for maximum exposures as at the reporting date for all eligible employees. Since there are no significant uncertainties/estimations with respect to gratuity payments, management considers, if actuarial valuation was made, the resulting difference, if any, would not be material.

3.9.2 Provident fund

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

3.9.3 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 Labor Act 2006.

3.10 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.

3.11 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.

3.12 Revenue recognition

Revenue from the sale of goods is measured at fair value of the consideration received or receivable and is exclusive of VAT. Revenue from sale of goods is recognised in the statement of profit or loss and other comprehensive income when the significant risks and rewards of ownership are transferred to the buyer. Transfer of risks and rewards occurs for the sale of goods, when invoices are raised and accepted by the customers, which is when the product is loaded at the point of shipment along with dispatch documents.

3.13 Finance income

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

3.14 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.

3.15 Contingencies

3.15.1 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.

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. The company has disclosed the contingent liabilities in note 39.

3.15.2 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.

3.16 Taxation

3.16.1 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.

3.16.2 Deferred tax

Deferred tax is recognised in accordance with the provision of *BAS 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.

3.17 Events after the reporting period

Events after the reporting date that provide additional information about the company's position at the reporting date are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the notes when material.

3.18 General

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

Property, plant and equipment

At 30 June 2017

Particulars	Leasehold buildings (Note 4.1)	Machinery	Tools and equipments	Electrical equipments	Office equipments	Vehicles	Furniture and fittings	Total
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Cost:								
As at 1 July 2016	91,477,631	482,175,119	9,588,737	26,112,427	3,544,329	3,672,201	3,527,168	620,097,612
Additions during the year	-	164,867	-	472,300	584,320	2,948,871	135,952	4,306,310
Disposals during the year	-	-	-	-	-	-	-	-
As at 30 June 2017	91,477,631	482,339,986	9,588,737	26,584,727	4,128,649	6,621,072	3,663,120	624,403,922
Depreciation:								
As at 1 July 2016	49,767,194	412,994,180	8,128,269	17,411,394	3,037,152	3,517,848	3,278,368	498,134,405
Charge during the year (Note 4.2)	6,051,442	12,960,400	357,503	4,022,320	268,418	235,349	101,560	23,996,992
Adjustments for disposals	-	-	-	-	-	-	-	-
As at 30 June 2017	55,818,636	425,954,580	8,485,772	21,433,714	3,305,570	3,753,197	3,379,928	522,131,397
Net book value:								
As at 30 June 2017	35,658,995	56,385,406	1,102,965	5,151,013	823,079	2,867,875	283,192	102,272,525
As at 30 June 2016	41,710,437	69,180,939	1,460,468	8,701,033	507,177	154,353	248,800	121,963,207
As at 31 December 2015	44,755,207	68,728,615	1,673,057	10,194,519	374,419	285,848	321,609	126,333,274

4.1 The buildings have been constructed on the land leased from Sena Kalyan Sangstha for a period of 38 years commencing from 29 March 1983 expiring in 2021.

4.2 Depreciation allocated to:

	For the year ended 30 June 2017 Taka	For the 6 months period ended 30 June 2016 Taka	For the year ended 31 December 2015 Taka
Cost of sales (Note 24)	23,571,559	11,696,420	22,197,543
Operating expenses (Note 26)	425,433	143,729	634,570
	23,996,992	11,840,149	22,832,113

4.3 Disposal of property, plant and equipment

Particulars	Original cost Taka	Accumulated depreciation Taka	Book value Taka	Sale value Taka	Mode of disposal
Vehicles					
2016-2017	1,060,000	1,060,000	-	120,000	Sold
	1,060,000	1,060,000	-	120,000	

	At 30 June 2017	At 30 June 2016	At 31 December 2015
	Taka	Taka	Taka
5 Intangible assets			
Opening Balance	-	176,774	600,998
Add: Acquisition during the year	-	-	-
	-	176,774	600,998
Less: Amortisation during the year	-	176,774	424,224
Closing balance	-	-	176,774

6 Investments

Investment (at cost)

Quoted

Reliance Insurance Limited	2,593,478	2,593,478	2,593,478
Pubali Bank Limited	322,520	322,520	322,520
IDLC Finance Limited	42,882,460	9,702,000	9,702,000
National Housing Finance and Investment Limited (NHFIL)	41,159,225	41,159,225	41,159,225
	86,957,683	53,777,223	53,777,223

Unquoted

Central Depository Bangladesh Limited (CDBL)	1,569,450	1,569,450	1,569,450
	88,527,133	55,346,673	55,346,673

Quoted (at fair value)

Reliance Insurance Limited (1,005,088 shares) (Note 6.1)	43,498,234	35,620,196	35,298,430
Pubali Bank Limited (1,541,631 shares) (Note 6.2)	34,163,962	25,854,587	27,781,627
IDLC Finance Limited (4,977,069 shares) (Note 6.3)	321,427,083	176,262,570	190,895,153
National Housing Finance and Investment Limited (NHFIL) (5,123,276 shares) (Note 6.4)	220,369,403	142,444,375	164,576,927
	619,458,682	380,181,728	418,552,137

Unquoted - at cost:

Central Depository Bangladesh Limited (CDBL) (571,181 ordinary shares)	1,569,450	1,569,450	1,569,450
	621,028,132	381,751,178	420,121,587

- 6.1 During the year Company received total 91,371 bonus shares from Reliance Insurance Limited. Fair value of the share as at 30 June 2017 was Tk 47.80 each, being quoted market price on that day. Fair values of shares has been presented net of potential capital gain tax @ 10%.
- 6.2 During the year Company received total 114,194 bonus shares from Pubali Bank Limited. Fair value of the shares as at 30 June 2017 was Tk 24.60 each, being quoted market price on that day. Fair values of shares has been presented net of potential capital gain tax @ 10%.
- 6.3 During the year Company purchased total 1,659,023 right shares from IDLC Finance Limited @ TK. 20 each. Fair value of the shares as at 30 June 2017 was Tk 70.80 each, being quoted market price on that day. Fair values of shares has been presented net of potential capital gain tax @ 10%.
- 6.4 Fair value of the shares as at 30 June 2017 of National Housing Finance & Investment Limited (NHFIL) was Tk 46.90 each, being quoted market price on that day. Fair values of shares has been presented net of potential capital gain tax @ 10%.

	At 30 June 2017	At 30 June 2016	At 31 December 2015
	Taka	Taka	Taka
7 Fair value adjustment			
Fair value of the investment (Quoted shares) (Note 6)	619,458,682	380,181,728	418,552,137
Less: Cost price of the investment (Quoted shares) (Note 6)	86,957,683	53,777,223	53,777,223
	532,500,999	326,404,505	364,774,914
8 Loans and deposits			
Cash and article loan to employees	8,410,802	7,505,309	5,460,143
Security and guarantee deposits	1,963,600	1,963,600	1,817,800
	10,374,402	9,468,909	7,277,943
Less : Current portion classified as current assets (Note 11)	3,007,628	2,405,556	1,979,780
	7,366,774	7,063,353	5,298,163
9 Inventories			
Raw materials	172,052,090	130,377,926	226,277,220
Raw materials in transit	59,383,763	66,431,177	12,496,424
Work-in-process	1,903,815	608,668	2,222,223
Finished goods	85,568,010	79,873,100	90,644,740
Promotional goods	4,621,611	1,823,596	2,065,956
Spare parts (Note 9.1)	13,872,798	11,574,563	11,337,000
	337,402,087	290,689,030	345,043,563

9.1 Spare parts

Description	Balance as at 1 July 2016	Purchase during the period		Consumption	Balance as at 30 June 2017
		C & F value	Cost		
	Taka	USD	Taka	Taka	Taka
Imported	6,405,215	49,614.97	4,378,618	2,431,026	8,352,807
Local	5,169,348	-	4,158,912	3,808,269	5,519,991
	<u>11,574,563</u>	<u>49,615</u>	<u>8,537,530</u>	<u>6,239,295</u>	<u>13,872,798</u>

Out of the total spare parts consumed, 39% was imported and the rest 61% was procured from local sources.

	At 30 June 2017 Taka	At 30 June 2016 Taka	At 31 December 2015 Taka
10 Trade and other debtors			
Trade debtors (Note 10.1)	201,361,510	200,133,923	178,497,420
Other debtors (Note 10.2)	<u>2,970,431</u>	<u>4,617,017</u>	<u>1,103,560</u>
	<u>204,331,941</u>	<u>204,750,940</u>	<u>179,600,980</u>

10.1 Trade debtors

Transcom Electronics Ltd. :
Due below six months
Due more than six months

-	-	-
-	33,388	33,388
-	33,388	33,388

Sales to customers :
Due below six months
Due more than six months

191,937,232	194,142,438	171,814,288
9,424,278	5,958,097	6,649,744
<u>201,361,510</u>	<u>200,100,535</u>	<u>178,464,032</u>
<u>201,361,510</u>	<u>200,133,923</u>	<u>178,497,420</u>

10.2 Other debtors

Bangladesh Electrical Industries Ltd.
Transcom Foods Ltd.
Transcom Distribution Company Ltd.
Sena Kalyan Sangstha
Transcom Electronics Ltd.
Transcom Mobile Ltd.
Miscellaneous

189,894	2,063,973	73,966
1,056,490	459,256	139,276
353,873	1,575,267	350,425
131,732	131,732	131,732
1,021,735	-	-
45,000	30,000	-
171,707	356,789	408,161
<u>2,970,431</u>	<u>4,617,017</u>	<u>1,103,560</u>

11 Advances, deposits and prepayments

Advances:

Current portion of cash and article loan to employees (Note 8)
VAT current account
To employees
To suppliers

3,007,628	2,405,556	1,979,780
2,602,143	1,137,357	301,648
3,418,717	3,633,976	1,263,912
<u>473,523</u>	<u>524,030</u>	<u>141,374</u>
9,502,011	7,700,919	3,686,714

Deposits:

Customs deposits

216

216

216

Prepayment:

Prepaid expenses

3,109,038

4,727,929

4,336,897

12,611,265

12,429,064

8,023,827

12 Advance income tax

Opening Balance

Add: Advance income tax paid u/s 64 of Income Tax Ordinance 1984
Tax deducted at source

196,650,793	181,756,982	149,615,412
-	-	-
<u>33,808,007</u>	<u>14,893,811</u>	<u>32,141,570</u>
33,808,007	14,893,811	32,141,570
<u>230,458,800</u>	<u>196,650,793</u>	<u>181,756,982</u>
-	-	-
<u>230,458,800</u>	<u>196,650,793</u>	<u>181,756,982</u>

Less: Adjustment for completed assessments

Closing Balance

	<u>At 30 June 2017</u>	<u>At 30 June 2016</u>	<u>At 31 December 2015</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
13 Cash and cash equivalents			
Cash in hand	23,844	43,128	268,913
Balance with banks:			
Standard Chartered Bank Ltd. - Kawran Bazar, Dhaka - C/A - 01133949401	29,789	35,102	39,841
Eastern Bank Ltd. - Principal Br., Dhaka - O/D - 01012040000174	-	-	8,696,703
South East Bank Ltd. - Kawran Bazar, Dhaka - C/A - 001511100000945	2,332	3,482	58,700
South East Bank Ltd. - Banani, Dhaka - C/A - 11100007583	508,594	526,182	744,101
South East Bank Ltd. - Kawran Bazar, Dhaka - C/A - 001511100002375	70,947	1,072,216	-
AB bank Ltd-Kawran Bazar Dhaka C/A No- 4002774344000	12,967,383	26,552,521	26,497,662
Dutch-Bangla Bank Ltd. - Banani, Dhaka - C/A - 10311019889	2,643,287	1,758,965	2,187,449
Dhaka Bank Ltd. - Kawran Bazar, Dhaka - C/A - 2071000007781	598,679	1,210,611	568,168
BRAC Bank Ltd. - Gulshan, Dhaka - C/A - 1501201990731001	883,636	960,500	1,958,474
The City Bank Ltd. - Gulshan, Dhaka - C/A - 1101237275001	6,648	279,903	633,748
Cash at fixed deposit:			
IDLC Finance Limited	22,046,597	20,714,639	20,000,000
National Housing Finance and Investment Limited (NHFIL)	24,766,402	54,985,938	53,048,373
Cash and cash equivalents	64,548,138	108,143,187	114,702,132

	At 30 June 2017	At 30 June 2016	At 31 December 2015
	Taka	Taka	Taka
14 Share capital			
Authorized:			
50,000,000 ordinary shares of Tk 10 each	500,000,000	500,000,000	500,000,000
Issued and fully paid up:			
9,370,608 ordinary shares of Tk 10 each (Note 14.1)	93,706,080	93,706,080	93,706,080
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.			

14.1 Composition of shareholding

	At 30 June 2017		At 30 June 2016		At 31 December 2015	
	No. of shares	Percentage	No. of shares	Percentage	No. of shares	Percentage
Transcom Ltd.	5,068,336	54.09%	5,068,336	54.09%	5,068,336	54.09%
Transcom Electronics Ltd.	650,000	6.94%	650,000	6.94%	650,000	6.94%
ICB	160,209	1.71%	110,643	1.18%	112,220	1.20%
Foreign investors (Note 37)	2,665	0.03%	2,665	0.03%	2,665	0.03%
Individuals	1,824,237	19.47%	1,624,789	17.34%	1,553,560	16.58%
Other institutional investors	1,665,161	17.76%	1,914,175	20.42%	1,983,827	21.16%
	9,370,608	100%	9,370,608	100%	9,370,608	100%

The foreign investors have already sold their shares, but those shares have not been transferred in the name of buyers as at 30 June 2017.

Classification of shares by holding:

Holdings	Number of holders			% of total holding		
	At 30 June 2017	At 30 June 2016	At 31 December 2015	At 30 June 2017	At 30 June 2016	At 31 December 2015
1 to 500 shares	2,332	2,077	2,006	3.8	3.2	3.0
501 to 5000 shares	556	488	440	8.6	7.5	6.7
5,001 to 10,000 shares	46	40	50	3.3	2.8	3.6
10,001 to 20,000 shares	25	18	26	3.8	2.8	4.1
20,001 to 30,000 shares	5	6	3	1.3	1.5	0.8
30,001 to 40,000 shares	2	1	1	0.8	0.4	0.4
40,001 to 50,000 shares	1	-	1	0.4	-	0.4
50,001 to 100,000 shares	4	5	4	2.9	3.9	3.6
100,001 to 1,000,000 shares	5	5	5	21.0	23.8	23.3
Over 1,000,000 shares	1	1	1	54.1	54.1	54.1
	2,977	2,641	2,537	100.0	100.0	100.0

	<u>At 30 June 2017</u>	<u>At 30 June 2016</u>	<u>At 31 December 2015</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
15 Reserves and surplus			
Capital reserve (Note 15.1)	2,305,167	2,305,167	2,305,167
General reserve	183,416,823	183,416,823	171,299,487
Fair value reserve	532,500,999	326,404,505	364,774,914
Retained earnings	66,219,521	26,869,322	30,858,552
	<u>784,442,510</u>	<u>538,995,817</u>	<u>569,238,120</u>

15.1 Capital reserve

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

16 Deferred liability - gratuity payable

Opening Balance	52,579,346	47,756,030	45,217,818
Add: Provision/transfer during the year	8,311,474	6,837,468	9,105,623
	<u>60,890,820</u>	<u>54,593,498</u>	<u>54,323,441</u>
Less: Payment during the year	10,878,815	2,014,152	6,567,411
	<u>50,012,005</u>	<u>52,579,346</u>	<u>47,756,030</u>

17 Deferred tax liability/ (assets)

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

	<u>Carrying amount on balance sheet date</u>	<u>Tax base</u>	<u>Taxable / (deductible) temporary difference</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
<u>At 30 June 2017</u>			
Property, plant and equipment	102,272,525	54,782,832	47,489,693
Gratuity payable	50,012,005	-	(50,012,005)
Total temporary difference			<u>(2,522,312)</u>
Applicable tax rate			25%
Deferred tax assets			<u><u>(630,578)</u></u>
<u>At 30 June 2016</u>			
Property, plant and equipment	121,963,207	64,164,280	57,798,927
Gratuity payable	52,579,346	-	(52,579,346)
Total temporary difference			<u>5,219,581</u>
Applicable tax rate			25%
Deferred tax liability			<u><u>1,304,895</u></u>
<u>At 31 December 2015</u>			
Property, plant and equipment	126,333,274	64,703,879	61,629,395
Gratuity payable	47,756,030	-	(47,756,030)
Total temporary difference			<u>13,873,365</u>
Applicable tax rate			25%
Deferred tax liability			<u><u>3,468,341</u></u>

	At 30 June 2017	At 30 June 2016	At 31 December 2015
	Taka	Taka	Taka
Movement of deferred tax liability:			
Opening balance	1,304,895	3,468,341	5,129,676
Provision/(reversal) during the year	(1,935,473)	(2,163,446)	(1,661,335)
Closing balance	(630,578)	1,304,895	3,468,341
18 Current portion of long term loan			
Payable within one year	-	-	7,789,803
Payable after one year	-	-	-
	-	-	7,789,803
19 Short term finance			
Southeast Bank Limited (Note 19.1)			
Bank overdraft	46,138,388	28,952,717	-
Import loan	-	-	30,297,983
	46,138,388	28,952,717	30,297,983
Eastern Bank Limited (Note 19.2)			
Bank overdraft	56,778,343	48,226,284	-
Import loan	202,044,479	217,540,936	288,615,535
	258,822,822	265,767,220	288,615,535
	304,961,210	294,719,937	318,913,518
19.1	Total bank overdraft and import loan/LC facility limit with Southeast Bank Limited, Dhaka at 30 June 2017 were Tk 50 million and Tk 60 million respectively with interest @ 10.00 % p.a., for both the 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 confirmations, arrangement fees and LIBOR @ 5.50% p.a.		
19.2	Total bank overdraft and import loan/LC facility limit with Eastern Bank Limited, Dhaka at 30 June 2017 were Tk 60 million and Tk 440 million respectively with interest @ 8.50 % p.a., for the 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 @ 3.25% p.a.		
19.3	Securities against overdraft and import loans		
	These loans are secured by registered first charge jointly between Eastern Bank Limited, Principal Branch, Dhaka, and Southeast Bank Limited, Banani 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, riots, strike, devastation and cyclone.		
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 fire, riots, strike, devastation and cyclone.		
20 Trade and other creditors			
For goods	40,506,267	43,012,944	44,376,722
For expenses	90,985,286	108,354,769	117,926,197
	131,491,553	151,367,713	162,302,919

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

	At 30 June 2017	At 30 June 2016	At 31 December 2015
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
21 Other liabilities			
WPPF contribution	2,628,145	1,758,863	2,091,572
Wages and salaries	8,270,583	5,861,255	6,821,511
Canteen expenses	1,017,087	1,133,165	917,733
Energy cost	3,436,861	2,591,859	4,019,688
Telephone and fax	555,887	1,161,815	1,045,216
Audit fees (including WPPF and PF audit)	416,875	431,250	373,750
Legal advisor's fees	310,548	491,796	461,796
Unclaimed dividend	10,479,546	10,791,287	9,830,226
Provision for royalty (Note 21.1)	38,493,383	30,983,736	27,761,693
Security deposit	938,067	363,067	338,067
Withholding tax	184,371	1,041,510	535,242
	<u>66,731,353</u>	<u>56,609,603</u>	<u>54,196,494</u>
21.1 Provision for royalty			
Opening Balance	30,983,736	27,761,693	19,967,136
Add: Provision during the year	7,509,647	3,222,043	7,794,557
	<u>38,493,383</u>	<u>30,983,736</u>	<u>27,761,693</u>
Less: Payment during the year	-	-	-
Closing balance (Note: 21.1.1)	<u>38,493,383</u>	<u>30,983,736</u>	<u>27,761,693</u>
21.1.1 Closing balance comprises of the following:			
For Philips brand	36,433,452	30,983,736	27,761,693
For Transtec brand	2,059,931	-	-
	<u>38,493,383</u>	<u>30,983,736</u>	<u>27,761,693</u>

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.

	At 30 June 2017	At 30 June 2016	At 31 December 2015
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
22 Provision for tax			
Opening Balance	134,157,361	123,685,977	111,051,763
Add: Provision for the year	15,148,168	10,471,384	12,634,214
	<u>149,305,529</u>	<u>134,157,361</u>	<u>123,685,977</u>
Less: Adjustment for completed assessments	-	-	-
	<u>149,305,529</u>	<u>134,157,361</u>	<u>123,685,977</u>

	For the year ended <u>30 June 2017</u> <u>Taka</u>	For the 6 months period ended <u>30 June 2016</u> <u>Taka</u>	For the 18 months period ended <u>30 June 2017</u> <u>Taka</u>	For the year ended <u>31 December 2015</u> <u>Taka</u>
23 Revenue				
Electric bulbs (Note: 23.1)				
Sales	294,533,098	165,096,394	459,629,492	412,729,669
Less: VAT	43,584,623	24,455,255	68,039,878	57,107,839
	250,948,475	140,641,139	391,589,614	355,621,830
Energy saving lamps				
Sales	626,451,441	418,272,062	1,044,723,503	809,338,769
Less: VAT	25,531,753	16,886,213	42,417,966	30,459,821
	600,919,688	401,385,849	1,002,305,537	778,878,948
Fluorescent tube lights				
Sales	127,951,857	53,576,553	181,528,410	109,801,762
Less: VAT	7,351,693	3,066,936	10,418,629	10,167,241
	120,600,164	50,509,617	171,109,781	99,634,521
Starter				
Sales	9,020,929	6,127,590	15,148,519	10,354,828
Less: VAT	1,375,511	915,944	2,291,455	1,600,024
	7,645,418	5,211,646	12,857,064	8,754,804
Ballast				
Sales	5,181,288	7,414,672	12,595,960	7,453,386
Less: VAT	779,898	1,018,936	1,798,834	1,055,174
	4,401,390	6,395,736	10,797,126	6,398,212
LED				
Sales	275,915,393	23,373,047	299,288,440	15,741,268
Less: VAT	40,857,764	3,531,834	44,389,598	2,186,127
	235,057,629	19,841,213	254,898,842	13,555,141
Luminaire				
Sales	411,440	56,000	467,440	20,640
Less: VAT	53,504	6,391	59,895	2,922
	357,936	49,609	407,545	17,718
Net sales	1,219,930,700	624,034,809	1,843,965,509	1,262,861,174

23.1 This includes net sales of Philips Brand GLS bulbs of Taka 151,380,981 for the year ended Jul'16-Jun'17, Taka 89,501,208 for the period ended Jan'16-Jun'16, Taka 240,882,189 for the period ended Jan'16-Jun'17 and Taka 216,515,460, for the year ended Jan'15 to Dec'15.

	For the year ended <u>30 June 2017</u> <u>Quantity</u>	For the 6 months period ended <u>30 June 2016</u> <u>Quantity</u>	For the 18 months period ended <u>30 June 2017</u> <u>Quantity</u>	For the year ended <u>31 December 2015</u> <u>Quantity</u>
23.2 Sales Quantity				
Electric bulbs	13,085,110	7,446,622	20,531,732	17,404,456
Energy saving lamps	2,781,979	1,847,911	4,629,890	3,603,463
Fluorescent tube lights	1,954,759	810,601	2,765,360	1,548,454
Starter	1,109,126	735,170	1,844,296	1,272,461
Ballast	36,107	42,064	78,171	42,590
LED	1,086,835	159,957	1,246,792	176,426
Luminaire	293	35	328	16

	For the year ended <u>30 June 2017</u> <u>Taka</u>	For the 6 months period ended <u>30 June 2016</u> <u>Taka</u>	For the 18 months period ended <u>30 June 2017</u> <u>Taka</u>	For the year ended <u>31 December 2015</u> <u>Taka</u>
24 Cost of sales				
Opening stock of raw materials	130,377,926	226,277,220	226,277,220	176,659,811
Purchase during the year	716,889,951	271,791,378	988,681,329	850,942,210
Raw materials consumed for trial production	-	-	-	(654,871)
Closing stock of raw materials	(172,052,090)	(130,377,926)	(172,052,090)	(226,277,220)
Raw materials consumed (Note 24.1)	<u>675,215,787</u>	<u>367,690,672</u>	<u>1,042,906,459</u>	<u>800,669,930</u>
Salaries and wages	89,197,114	37,670,260	126,867,374	74,045,146
Gratuity	5,858,292	4,862,135	10,720,427	6,424,720
Contribution to provident fund	2,163,344	1,046,648	3,209,992	1,958,282
Medical expenses	1,881,962	1,126,777	3,008,739	1,817,734
Staff welfare expenses	3,112,243	1,812,160	4,924,403	4,326,305
Canteen expenses	16,263,465	6,426,689	22,690,154	13,759,841
Power and fuel	27,639,270	11,840,355	39,479,625	26,058,894
Repairs and maintenance - General	3,286,558	1,894,677	5,181,235	3,556,039
Repairs and maintenance - Machinery	1,475,064	749,646	2,224,710	1,552,294
Stores and spares consumed	6,239,295	3,410,562	9,649,857	10,043,768
Rent, rates and taxes	8,606,260	4,103,129	12,709,389	8,206,252
Insurance	1,299,143	800,544	2,099,687	2,122,984
Telephone and fax	802,473	358,933	1,161,406	744,494
Depreciation (Note 4.2)	<u>23,571,559</u>	<u>11,696,420</u>	<u>35,267,979</u>	<u>22,197,543</u>
	<u>866,611,829</u>	<u>455,489,607</u>	<u>1,322,101,436</u>	<u>977,484,226</u>
Opening work-in-process	608,668	2,222,223	2,222,223	2,896,465
Closing work-in-process (Note 24.2)	(1,903,815)	(608,668)	(1,903,815)	(2,222,223)
Cost of production	<u>865,316,682</u>	<u>457,103,162</u>	<u>1,322,419,844</u>	<u>978,158,468</u>
Opening stock of finished goods	79,873,100	90,644,740	90,644,740	54,936,406
Finished goods purchased during the year	65,954,357	8,075,453	74,029,810	21,112,601
Closing stock of finished goods (Note 9)	(85,568,010)	(79,873,100)	(85,568,010)	(90,644,740)
	<u>925,576,129</u>	<u>475,950,255</u>	<u>1,401,526,384</u>	<u>963,562,735</u>

24.1 Raw materials consumed

For the year

ended

30 June 2017

Description	Opening stock	Purchase	Closing stock	Consumption
	Value	Value	Value	Value
	Taka	Taka	Taka	Taka
Imported:				
GLS	14,013,961	53,498,818	14,855,858	52,656,921
CFL	82,068,860	351,405,700	98,855,520	334,619,040
FTL	17,284,452	61,744,842	16,170,478	62,858,816
LED	477,722	105,529,905	27,360,539	78,647,088
Others	1,185,598	6,578,569	2,140,307	5,623,860
Imported total	115,030,593	578,757,834	159,382,702	534,405,725
Local:				
GLS	9,920,680	76,755,504	7,502,119	79,174,065
CFL	3,083,681	32,251,639	2,195,521	33,139,799
FTL	1,698,938	23,107,228	1,622,079	23,184,087
LED	386,509	5,748,153	1,272,269	4,862,393
Others	257,525	269,593	77,400	449,718
Local total	15,347,333	138,132,117	12,669,388	140,810,062
Grand total	130,377,926	716,889,951	172,052,090	675,215,787

Out of the total raw materials consumed, 79% was imported and the rest 21% was procured from local sources.

For the 6 months

period ended

30 June 2016

Description	Opening stock	Purchase	Closing stock	Consumption
	Value	Value	Value	Value
	Taka	Taka	Taka	Taka
Imported:				
GLS	16,881,723	20,011,724	14,013,961	22,879,486
CFL	177,749,449	152,772,198	82,068,860	248,452,787
FTL	14,514,489	21,187,920	17,284,452	18,417,957
LED	-	5,532,312	477,722	5,054,590
Others	493,114	4,327,924	1,185,598	3,635,440
Imported total	209,638,775	203,832,078	115,030,593	298,440,260
Local:				
GLS	11,113,978	46,013,446	9,920,680	47,206,744
CFL	3,840,065	14,827,852	3,083,681	15,584,236
FTL	1,601,898	5,980,724	1,698,938	5,883,684
LED	-	676,632	386,509	290,123
Others	82,504	460,646	257,525	285,625
Local total	16,638,445	67,959,300	15,347,333	69,250,412
Grand total	226,277,220	271,791,378	130,377,926	367,690,672

Out of the total raw materials consumed, 81% was imported and the rest 19% was procured from local sources.

For the year
ended
31 December 2015

Description	Opening stock	Purchase	Closing stock	Consumption
	Value	Value	Value	Value
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Imported:				
GLS	20,090,777	70,734,207	16,881,723	73,943,261
CFL	117,230,767	536,911,591	177,749,449	476,392,909
FTL	19,586,304	32,016,653	14,514,489	37,088,468
LED	-	-	-	-
Others	301,898	7,103,184	493,114	6,911,968
Imported total	157,209,746	646,765,635	209,638,775	594,336,606
Local:				
GLS	12,448,340	119,681,272	11,113,978	121,015,634
CFL	5,465,410	58,015,596	3,840,065	59,640,941
FTL	1,494,118	25,933,750	1,601,898	25,825,970
LED	-	-	-	-
Others	42,197	545,957	82,504	505,650
Local total	19,450,065	204,176,575	16,638,445	206,988,195
Grand total	176,659,811	850,942,210	226,277,220	801,324,801
Less: Materials consumed for trial production				654,871
				800,669,930

Out of the total raw materials consumed, 74% was imported and the rest 26% was procured from local sources.

24.2 Break up of work-in-process

<u>Description</u>	<u>At 30 June 2017</u>		<u>At 30 June 2016</u>		<u>At 31 December 2015</u>	
	<u>Quantity (Pc)</u>	<u>Value (Taka)</u>	<u>Quantity (Pc)</u>	<u>Value (Taka)</u>	<u>Quantity (Pc)</u>	<u>Value (Taka)</u>
GLS:						
Mounted feet lamps	-	-	-	-	-	-
Unmounted feet lamps	-	-	-	-	-	-
Uncapped lamps	16,500	117,725	-	-	-	-
Unpacked lamps	67,305	829,400	-	-	94,800	1,101,623
Chemicals		593,211		598,938		830,111
		<u>1,540,336</u>		<u>598,938</u>		<u>1,931,734</u>
CFL:						
Unpacked lamps	-	-	-	-	505	71,144
		<u>-</u>		<u>-</u>		<u>71,144</u>
FTL:						
Stem light	-	-	-	-	-	-
Mount light	-	-	-	-	-	-
Unpacked light	7,500	363,479	-	-	4,500	205,890
Inner sleeve	-	-	3,000	9,730	-	-
		<u>363,479</u>		<u>9,730</u>		<u>205,890</u>
Starter:						
Unpacked	-	-	-	-	2,500	13,455
		<u>1,903,815</u>		<u>608,668</u>		<u>2,222,223</u>

24.3 Closing stock of finished goods (In unit)

	<u>At 30 June 2017</u>	<u>At 30 June 2016</u>	<u>At 31 December 2015</u>
	<u>Quantity</u>	<u>Quantity</u>	<u>Quantity</u>
Electric bulbs	2,640,929	1,635,183	1,976,767
Energy saving lamps	55,547	279,126	260,551
Fluorescent tube lights	174,007	1,616	176,047
Starter	2,803	87,929	147,099
Ballast	17,098	9,358	11,577
LED	122,065	97,219	186,980

	For the year ended 30 June 2017 Taka	For the 6 months period ended 30 June 2016 Taka	For the 18 months period ended 30 June 2017 Taka	For the year ended 31 December 2015 Taka
25 Other income				
Dividend income (Note 25.1)	27,665,351	19,909,414	47,574,765	14,231,093
Cost recovery	7,106,664	3,553,332	10,659,996	4,186,998
Gain on disposal of plant, property and equipment	120,000	-	120,000	-
Income from sale of scrap	2,814,950	2,368,538	5,183,488	4,660,657
Sale proceeds from fractional bonus shares	22	20	42	24
	<u>37,706,987</u>	<u>25,831,304</u>	<u>63,538,291</u>	<u>23,078,772</u>

25.1 Dividend income represents dividend received in cash from investment in share of Pubali Bank Limited, IDLC Finance Limited, National Housing Finance and Investment Limited, Central Depository Bangladesh Limited and Reliance Insurance Limited.

	For the year ended 30 June 2017 Taka	For the 6 months period ended 30 June 2016 Taka	For the 18 months period ended 30 June 2017 Taka	For the year ended 31 December 2015 Taka
26 Operating expenses				
Salaries & benefits	63,184,421	28,016,387	91,200,808	59,937,322
Gratuity	2,453,182	1,975,333	4,428,515	2,364,653
Contribution to provident fund	941,046	437,947	1,378,993	771,049
Medical expenses	1,164,597	492,659	1,657,256	655,124
Computer & IT expenses	3,070,023	1,539,474	4,609,497	3,344,986
Rent, rates and taxes	60,756	30,378	91,134	60,756
Fuel and power	6,538,272	2,280,897	8,819,169	4,945,993
Insurance	189,388	89,529	278,917	220,761
Repairs and maintenance	791,724	598,034	1,389,758	1,482,214
Vehicle running expenses	3,040,903	2,219,632	5,260,535	3,343,418
Travelling and conveyance	13,954,028	6,758,475	20,712,503	9,960,983
Licence and registration fees	1,733,290	760,500	2,493,790	1,632,768
Postage and stamps	125,484	40,933	166,417	101,986
Directors' fees	678,500	494,500	1,173,000	920,000
Legal and professional expenses	607,837	84,749	692,586	1,497,529
Auditors' remuneration	381,337	373,750	755,087	373,750
Bank charges	567,212	186,313	753,525	585,575
Periodicals and journals	529,217	280,976	810,193	240,371
Entertainment	764,473	573,217	1,337,690	1,662,166
Printing and stationery	2,981,005	1,688,275	4,669,280	3,021,176
Telephone and fax	3,658,207	1,965,402	5,623,609	3,079,613
Royalty	7,509,647	3,222,043	10,731,690	7,794,557
Selling and distribution expenses	34,526,861	15,943,334	50,470,195	46,032,132
Replacement Cost	58,163,754	32,033,238	90,196,992	61,586,641
Sales promotion and publicity	51,588,302	28,807,946	80,396,248	55,318,072
Depreciation (Note 4.2)	425,433	143,729	569,162	634,570
Amortisation (Note 5)	-	176,774	176,774	424,224
	<u>259,628,899</u>	<u>131,214,424</u>	<u>390,843,323</u>	<u>271,992,389</u>

27 Finance cost

On long term loan	-	221,316	221,316	2,363,047
On short term finance	21,735,264	8,511,359	30,246,623	14,200,206
	<u>21,735,264</u>	<u>8,732,675</u>	<u>30,467,939</u>	<u>16,563,253</u>

28 Finance income

Interest income	4,406,441	2,924,745	7,331,186	9,999,558
Interest on cash loan to employees	87,203	42,619	129,822	101,876
	<u>4,493,644</u>	<u>2,967,364</u>	<u>7,461,008</u>	<u>10,101,434</u>

	For the year ended 30 June 2017	For the 6 months period ended 30 June 2016	For the 18 months period ended 30 June 2017	For the year ended 31 December 2015
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
29 Income tax expenses				
Current tax	(15,148,168)	(10,471,384)	(25,619,552)	(12,634,214)
Deferred tax (Note 17)	1,935,473	2,163,446	4,098,919	1,661,335
	<u>(13,212,695)</u>	<u>(8,307,938)</u>	<u>(21,520,633)</u>	<u>(10,972,879)</u>
30 Changes in fair value of shares available for sale				
Closing fair value reserve (Note 7)	532,500,999	326,404,505	532,500,999	364,774,914
Less: Opening fair value reserve	326,404,505	364,774,914	364,774,914	330,756,187
	<u>206,096,494</u>	<u>(38,370,409)</u>	<u>167,726,085</u>	<u>34,018,727</u>

31 Earnings per share (EPS)

The computation of EPS is given below:

Earnings attributable to ordinary shareholders (net profit for the year)	39,350,199	26,869,322	66,219,521	30,858,552
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Weighted average number of ordinary shares outstanding at the year end	9,370,608	9,370,608	9,370,608	9,370,608
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Basic Earnings Per Share (EPS)	4.20	2.87	7.07	3.29
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

31.1 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.

	For the year ended 30 June 2017	For the 6 months period ended 30 June 2016	For the 18 months period ended 30 June 2017	For the year ended 31 December 2015
	<u>Quantity</u>	<u>Quantity</u>	<u>Quantity</u>	<u>Quantity</u>
32 Capacity utilization				
Electric bulbs	14,090,856	7,105,038	21,195,894	18,861,464
Energy saving lamps	2,558,400	1,866,486	4,424,886	3,658,506
Fluorescent tube lights	2,127,150	636,170	2,763,320	1,580,257
Starter	1,024,000	676,000	1,700,000	1,259,550
Luminaire	293	35	328	28
LED	859,130	58,198	917,328	-

The existing capacity of electric bulb is 35.5 million in 2 shifts, fluorescent tube light (FTL) is 2.4 million in single shift, energy saving lamp (CFL) is 4.43 million in single shift per annum and Light-emitting diodes (LED) 3.0 million in single shift per annum.

33 Remuneration of Directors and Officers

	For the year ended 30 June 2017		For the year ended 31 December 2015	
	<u>Directors</u>	<u>Officers</u>	<u>Directors</u>	<u>Officers</u>
No. of Directors & Officers	12	145	12	147
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Fees	678,500		920,000	
Remuneration	300,000	37,673,160	300,000	33,415,053
Provident fund contribution	-	602,417	-	812,909
Provision for gratuity	-	2,621,922	-	2,102,356
Housing	-	8,584,983	-	6,055,214
Other perquisites	-	5,456,790	-	4,347,441
	<u>978,500</u>	<u>54,939,272</u>	<u>1,220,000</u>	<u>46,732,973</u>

Remuneration of Tk 300,000 represents payment to Managing Director of the company.

34 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.

34.1 Credit risk

a) 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>At 30 June 2017</u>	<u>At 30 June 2016</u>	<u>At 31 December 2015</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Trade debtors	201,361,510	200,133,923	178,497,420
Other debtors	2,970,431	4,617,017	1,103,560
Cash at bank	64,524,294	108,100,059	114,433,219
	<u>268,856,235</u>	<u>312,850,999</u>	<u>294,034,199</u>

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

GLS	44,765,482	48,032,142	51,764,252
CFL	95,213,071	128,085,711	112,453,374
FTL	19,447,141	18,012,053	14,279,794
LED	41,935,816	6,004,017	-
	<u>201,361,510</u>	<u>200,133,923</u>	<u>178,497,420</u>

	<u>At 30 June 2017</u>	<u>At 30 June 2016</u>	<u>At 31 December 2015</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
b) Ageing of trade debtors			
The ageing of gross trade debtors at the reporting date was:			
Invoiced 0-30 days	120,255,147	132,505,088	94,045,422
Invoiced 31-60 days	35,284,674	10,661,737	44,159,412
Invoiced 61-90 days	27,809,753	33,652,888	26,847,573
Invoiced 91-120 days	4,399,544	11,727,460	4,421,069
Invoiced 121-180 days	4,188,114	5,595,265	2,340,812
Invoiced 181-365 days	1,985,803	784,395	944,533
Invoiced above 365 days	7,438,475	5,207,090	5,738,599
	<u>201,361,510</u>	<u>200,133,923</u>	<u>178,497,420</u>

c) Ageing of other debtors

The ageing of other debtors at the reporting date was:

Invoiced 0-30 days	2,838,699	4,485,285	971,828
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	131,732
	<u>2,970,431</u>	<u>4,617,017</u>	<u>1,103,560</u>

34.2 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:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	Taka	Taka	Taka	Taka	Taka	Taka	Taka
At 30 June 2017							
Non-derivative financial liabilities:							
Trade creditors	40,506,267	40,506,267	40,506,267	-	-	-	-
Creditors for expenses	90,985,286	90,985,286	87,836,350	-	-	-	3,148,936
Other liabilities	66,731,353	66,731,353	56,120,848	-	1,072,215	2,941,339	6,596,951
Derivative financial liabilities	-	-	-	-	-	-	-
	198,222,906	198,222,906	184,463,465	-	1,072,215	2,941,339	9,745,887
At 30 June 2016							
Non-derivative financial liabilities:							
Trade creditors	43,012,944	43,012,944	43,012,944	-	-	-	-
Creditors for expenses	108,354,769	108,354,769	105,205,833	-	-	-	3,148,936
Other liabilities	56,609,603	56,609,603	46,890,608	-	1,039,612	1,961,887	6,717,496
Derivative financial liabilities	-	-	-	-	-	-	-
	207,977,316	207,977,316	195,109,385	-	1,039,612	1,961,887	9,866,432
At 31 December 2015							
Non-derivative financial liabilities:							
Trade creditors	44,376,722	44,376,722	44,376,722	-	-	-	-
Creditors for expenses	117,926,197	117,926,197	114,777,261	-	-	-	3,148,936
Other liabilities	54,196,494	54,196,494	44,366,343	1,144,764	1,138,805	1,559,926	5,986,656
Derivative financial liabilities	-	-	-	-	-	-	-
	216,499,413	216,499,413	203,520,326	1,144,764	1,138,805	1,559,926	9,135,592

34.3 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>At 30 June 2017</u>		<u>At 30 June 2016</u>		<u>At 31 December 2015</u>	
	<u>BDT</u>	<u>USD</u>	<u>BDT</u>	<u>USD</u>	<u>BDT</u>	<u>USD</u>
Foreign currency denominated assets	-	-	-	-	-	-
Foreign currency denominated liabilities						
Trade creditors	(43,196,165)	(531,972)	(59,606,706)	(760,290)	(10,797,166)	(137,544)
	(43,196,165)	(531,972)	(59,606,706)	(760,290)	(10,797,166)	(137,544)
Net exposure	(43,196,165)	(531,972)	(59,606,706)	(760,290)	(10,797,166)	(137,544)

The following significant exchange rates are applied during the period:

	<u>Exchange rates as</u>	
	<u>At 30 June 2017</u>	<u>At 30 June 2016</u>
	<u>Taka</u>	<u>Taka</u>
US Dollar (USD)	81.20	78.40
		<u>At 31 December 2015</u>
		<u>Taka</u>
		78.50

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.

	<u>Profit or loss</u>		<u>Equity</u>	
	<u>10% increase</u>	<u>10% decrease</u>	<u>10% increase</u>	<u>10% decrease</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
<u>At 30 June 2017</u>				
Expenditures denominated in USD	(4,319,617)	4,319,617	(4,319,617)	4,319,617
Exchange rate sensitivity	(4,319,617)	4,319,617	(4,319,617)	4,319,617
<u>At 30 June 2016</u>				
Expenditures denominated in USD	(5,960,671)	5,960,671	(5,960,671)	5,960,671
Exchange rate sensitivity	(5,960,671)	5,960,671	(5,960,671)	5,960,671
<u>At 31 December 2015</u>				
Expenditures denominated in USD	(1,079,717)	1,079,717	(1,079,717)	1,079,717
Exchange rate sensitivity	(1,079,717)	1,079,717	(1,079,717)	1,079,717

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:

	At 30 June 2017	Carrying amount At 30 June 2016	At 31 December 2015
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Fixed rate instruments			
<i>Financial assets</i>			
Cash at bank	64,524,294	108,100,059	114,433,219
<i>Financial liabilities</i>			
Long term loan	-	-	-
Current portion of long term loan	-	-	7,789,803
	<u>-</u>	<u>-</u>	<u>7,789,803</u>
Floating rate instruments			
<i>Financial assets</i>	-	-	-
<i>Financial liabilities</i>	-	-	-
Short term finance	304,961,210	294,719,937	318,913,518
	<u>304,961,210</u>	<u>294,719,937</u>	<u>318,913,518</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:

	At 30 June 2017		At 30 June 2016		At 31 December 2015	
	<u>Carrying amount</u>	<u>Fair value</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>	<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 debtor	204,331,941	204,331,941	204,750,940	204,750,940	179,600,980	179,600,980
Cash at bank	64,524,294	64,524,294	108,100,059	108,100,059	114,433,219	114,433,219
Available for sale of financial assets	-	-	-	-	-	-
Investment on shares	621,028,132	621,028,132	381,751,178	381,751,178	420,121,587	420,121,587
Liabilities carried at fair value through profit or loss	-	-	-	-	-	-
Liabilities carried at amortised costs						
Trade creditors	40,506,267	N/A*	43,012,944	N/A*	44,376,722	N/A*
Expense creditors	90,985,286	N/A*	108,354,769	N/A*	117,926,197	N/A*
Other Liabilities	66,731,353	N/A*	56,609,603	N/A*	54,196,494	N/A*
Other non-current liabilities	49,381,427	N/A*	53,884,241	N/A*	51,224,371	N/A*

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

35 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 BAS: 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 period are as follows:

Name of related party	Relationship	Nature of transaction	Transaction			
			Opening receivable/ (payable)	Addition Amount	Adjustment Amount	Receivable/ (payable) At 30 June 2017
			<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Transcom Electronics Ltd.	Shareholding company	Cost recovery, utilities and distribution expenses	(2,554,649)	28,403,029	(24,826,645)	1,021,735
Bangladesh Electrical Industries Ltd.	Associate company	Cost of accommodation, utility facilities and security cost recovery	2,063,973	10,763,638	(12,637,717)	189,894
Transcom Foods Ltd.	Associate company	Cost of accommodation, utility facilities and security cost recovery	459,256	1,694,923	(1,097,689)	1,056,490
Transcom Distribution Company Ltd.	Associate company	Cost of accommodation, utility facilities and security cost recovery	1,575,267	6,063,898	(7,285,292)	353,873
Transcom Mobile Ltd.	Associate company	Cost of accommodation, utility facilities and security cost recovery & product purchase	30,000	1,342,577	(1,327,577)	45,000
Transcom Limited	Holding company	a) Computer & IT expenses b) Royalty	(8,322,409)	405,950	(3,100,122)	(11,016,581)
			-	-	(2,059,931)	(2,059,931)

36 Number of employees

The number of permanent employees receiving remuneration of Tk 36,000 or above per employee per year were 401 (30 June 2016: 392).

37 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 2017.

38 Claims against the company not acknowledged as debt

None at 30 June 2017.

39 Contingent liability

39.1 There is a contingent liability of Tk. 4.53 million in regard to disputed tax claims for the tax assessment year 1999-2000. This matter has been referred to the High Court Division in 2004, the outcome of which is yet to be received.

39.2 Furthermore, there are contingent liabilities of Tk. 2.90 million, Tk. 7.64 million, Tk. 12.37 million and Tk.16.06 million with regard to unresolved disputed tax claims against the tax Assessment Years (AY) 2010-2011, 2011-2012, 2012-2013 and 2013-2014 respectively. First two of these disputes are for reference before the High Court Division. Appeals against tax disputes for the AY 2012-2013 and 2013-2014 have been filed before the Appellate Tribunal of Taxes. Disallowances of the expenses being tax disputes were unjust and have no merit and accordingly no additional provision has been made against the disallowances.

39.3 There are contingent liabilities of Tk. 56.89 million and Tk. 0.30 million due to outstanding 'Letter of Credit' and 'Bank Guarantee' issued by Eastern Bank Limited and Southeast Bank Limited respectively.

39.4 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. The company is also making appropriate provision for Royalty payable to Philips as per terms of the agreement.

40 Capital expenditure commitment

None.

41 Receivable from directors

None.

42 Events after the reporting period

For the 18 months period ended 30 June 2017, the Board of Directors recommended a cash dividend of Tk. 3.00 per share amounting to Tk. 28,111,824 at the board meeting held on 07 August 2017.