

Bangladesh Lamps Limited

**Auditors' Report and Financial statements
as at and for the year ended 30 June 2018**

A.QASEM & Co.

Chartered Accountants

Since 1953

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Ernst & Young Global Limited**



**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 2018 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 (BFRS) 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 (BSA). 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 auditor considers 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 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards. (BFRS).

Other matter

The financial statements of Bangladesh Lamps Limited for the year ended 30 June 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 07 August 2017.

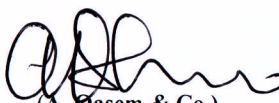
Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 1987, we also report the following:

- (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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the statement of financial position and the 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, 03 October 2018




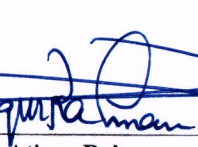

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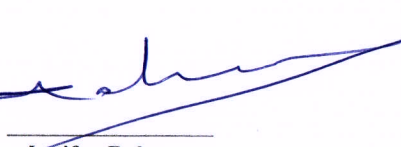
Bangladesh Lamps Limited
Statement of financial position
as at 30 June 2018

	Notes	30 June 2018 Taka	30 June 2017 Taka
Assets			
Property, plant and equipment	4	113,124,245	102,272,525
Investment in shares:			
At cost	5	88,527,133	88,527,133
Fair value adjustment	6	524,610,661	591,667,775
		613,137,794	680,194,908
Loans and deposits	7	8,166,128	7,366,774
Total non-current assets		734,428,167	789,834,207
Inventories	8	572,080,254	337,402,087
Trade and other receivables	9	277,254,356	204,331,941
Advances, deposits and prepayments	10	21,689,419	12,611,265
Advance income tax	11	279,728,940	230,458,800
Cash and cash equivalent	12	103,476,432	64,548,138
Total current assets		1,254,229,401	849,352,231
Total assets		1,988,657,568	1,639,186,438
Equity			
Share capital	13	93,706,080	93,706,080
Reserves and surplus	14	736,458,398	784,442,510
Total equity		830,164,478	878,148,590
Liabilities			
Deferred liability - gratuity payable	15	49,998,937	50,012,005
Deferred tax liability	16	50,203,814	58,536,198
Total non-current liabilities		100,202,751	108,548,203
Short term finance	17	612,612,270	304,961,210
Trade and other payables	18	202,391,773	131,491,553
Other liabilities	19	76,241,380	66,731,353
Provision for tax	20	167,044,916	149,305,529
Total current liabilities and provisions		1,058,290,339	652,489,645
Total liabilities		1,158,493,090	761,037,848
Total equity and liabilities		1,988,657,568	1,639,186,438

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

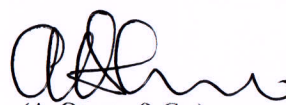

Mohammad Ruhan Miah
Company Secretary


Atiqur Rahman
Director


Latifur Rahman
Managing Director



As per our annexed report of same date.



(A. Qasem & Co.)
Chartered Accountants

Dhaka, 03 October 2018

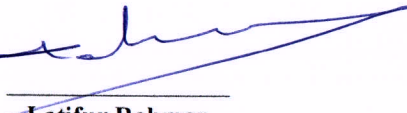
Bangladesh Lamps Limited
Statement of profit or loss and other comprehensive income
for the year ended 30 June 2018

	<u>Notes</u>	<u>30 June 2018</u> <u>Taka</u>	<u>30 June 2017</u> <u>Taka</u>
Revenue	21	1,475,772,071	1,219,930,700
Cost of sales	22	(1,145,206,426)	(925,576,129)
Gross profit		330,565,645	294,354,571
Other income	23	35,912,886	37,706,987
Operating expenses	24	(287,890,624)	(259,628,899)
Profit before net finance cost		78,587,907	72,432,659
Finance cost	25	(23,635,291)	(21,735,264)
Finance income	26	4,468,804	4,493,644
Net finance cost		(19,166,487)	(17,241,620)
Profit before contribution to WPPF		59,421,420	55,191,039
Contribution to WPPF		(2,829,591)	(2,628,145)
Profit before income tax		56,591,829	52,562,894
Income tax expenses	27	(16,112,713)	(13,212,695)
Net profit after tax		40,479,116	39,350,199
Other comprehensive income/(loss)			
Changes in fair value of shares available for sale	28	(67,057,114)	265,263,270
Deferred tax income/(expenses)		6,705,710	(59,166,776)
Net other comprehensive income/(loss)		(60,351,404)	206,096,494
Total comprehensive income/(loss)		(19,872,288)	245,446,693
Basic Earnings per share (par value Tk 10 each)	29	4.32	4.20

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

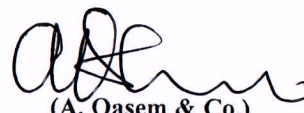

Mohammad Ruhan Miah
Company Secretary


Atiqur Rahman
Director


Latifur Rahman
Managing Director

As per our annexed report of same date.




(A. Qasem & Co.)
Chartered Accountants

Dhaka, 03 October 2018

Bangladesh Lamps Limited
Statement of Changes in Equity
for the year ended 30 June 2018

Particulars	Share Capital	Reserves and surplus				Total
	Taka	Capital reserve	General reserve	Fair value reserve	Retained earnings	
		Taka	Taka	Taka	Taka	Taka
Balance as at 1 July 2017	93,706,080	2,305,167	183,416,823	532,500,999	66,219,521	878,148,590
Dividend	-	-	-	-	(28,111,824)	(28,111,824)
Total net profit and other comprehensive income for the year:						
Net profit after tax	-	-	-	-	40,479,116	40,479,116
Other comprehensive income	-	-	-	(60,351,404)	-	(60,351,404)
Transfer to general reserve	-	-	38,107,697	-	(38,107,697)	-
Balance as at 30 June 2018	93,706,080	2,305,167	221,524,520	472,149,595	40,479,116	830,164,478
Balance as at 1 July 2016	93,706,080	2,305,167	183,416,823	326,404,505	26,869,322	632,701,897
Total net profit and other comprehensive income for the year:						
Net profit after tax	-	-	-	-	39,350,199	39,350,199
Other comprehensive income	-	-	-	206,096,494	-	206,096,494
Balance as at 30 June 2017	93,706,080	2,305,167	183,416,823	532,500,999	66,219,521	878,148,590

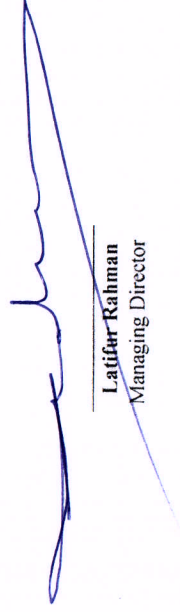
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Mohammad Ruhan Miah
Company Secretary



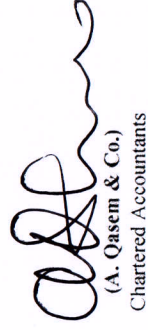
Atiqur Rahman
Director



Latifur Rahman
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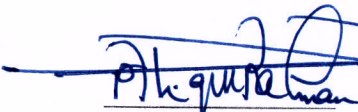
Dhaka, 03 October 2018


Bangladesh Lamps Limited
Statement of Cash Flows
for the year ended 30 June 2018

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
A. Cash flows from operating activities		
Cash receipts from customers	1,588,438,847	1,338,237,861
Cash paid to suppliers	(1,157,467,199)	(787,969,718)
Cash paid to employees	(194,622,054)	(167,396,637)
Cash paid for services received	(224,513,629)	(257,246,588)
Cash payment of VAT	(183,120,401)	(120,999,533)
Contribution to WPPF	(2,628,145)	(1,758,863)
Contribution to provident fund	(3,495,601)	(3,104,390)
Cash used in operation	(177,408,182)	(237,868)
Cost recovery	4,326,000	4,326,000
Collection from sale of scrap and others	199,251	2,814,950
Interest paid	(12,212,391)	(16,918,258)
Income tax paid	(49,270,140)	(33,808,008)
Net cash used in operating activities	(234,365,462)	(43,823,184)
B. Cash flows from investing activities		
Payment for investment in shares	-	(33,180,460)
Dividend received	28,371,901	27,665,373
Proceeds from sale of property, plant and equipment	500,000	120,000
Payment for acquisition of property, plant and equipment	(36,867,520)	(4,306,310)
Net cash used in investing activities	(7,995,619)	(9,701,397)
C. Cash flows from financing activities		
Dividend paid	(26,361,685)	(311,741)
Net cash used in financing activities	(26,361,685)	(311,741)
D. Net cash inflows/(outflows) for the year (A+B+C)	(268,722,766)	(53,836,322)
E. Opening cash and cash equivalent	(240,413,072)	(186,576,750)
Cash and cash equivalent	64,548,138	108,143,187
Short term finance	(304,961,210)	(294,719,937)
F. Closing cash and cash equivalent (D+E)	(509,135,838)	(240,413,072)
Cash and cash equivalent	103,476,432	64,548,138
Short term finance	(612,612,270)	(304,961,210)

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

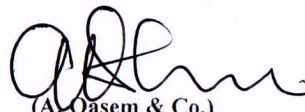

Mohammad Ruhan Miah
Company Secretary


Atiqur Rahman
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Managing Director

As per our annexed report of same date.




(A. Qasem & Co.)
Chartered Accountants

Dhaka, 03 October 2018

Bangladesh Lamps Limited
Notes to the Financial Statements
as at and for the year ended 30 June 2018

1.0 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), Luminiare, Fluorescent Tube Lights (FTL), Starters and Light-emitting diodes (LED) in local market. It also imports and sells ballasts to the local market.

2.0 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 03/10/2018.

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 the period from 01 July 2017 to 30 June 2018.



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 8 : Inventories
Note 15 : Deferred liability - gratuity payable
Note 16 : Deferred tax liability/(asset)
Note 18 : Trade and other payables
Note 20 : Provision for tax

2.6 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with Bangladesh Accounting Standard (BAS)-7 "Statement of cash flows" as required by the Securities and Exchange Rules, 1987.

3.0 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 receivables, 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 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	5-20 years
Electrical equipment	3-15 years
Office equipment	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 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 receivables

Trade and other receivables at the date of statement of financial position are stated at amounts which are considered realisable. Almost entire trade receivables 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 Labour (Amendment) Act 2013.

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. Details of contingent liabilities are disclosed in note 40.

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.

3.15.2 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. The applicable tax rate for the company is 25% as per Finance Act 2018.

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.

3.18 General

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



4 Property, plant and equipment

At 30 June 2018

Particulars	Note	Leasehold buildings Note 4.1	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 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
Additions during the year		1,061,242	33,158,686	99,904	1,383,310	703,900	54,460	406,018	36,867,520
Disposals during the year		-	(2,353,240)	-	-	-	-	-	(2,353,240)
As at 30 June 2018		92,538,873	513,145,432	9,688,641	27,968,037	4,832,549	6,675,532	4,069,138	658,918,202
Depreciation:									
As at 1 July 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
Charge during the year	4.2	6,141,585	13,730,817	330,864	2,980,200	345,625	590,682	131,097	24,250,870
Adjustments for disposals		-	(588,310)	-	-	-	-	-	(588,310)
As at 30 June 2018		61,960,221	439,097,087	8,816,636	24,413,914	3,651,195	4,343,879	3,511,025	545,793,957
Net book value:									
As at 30 June 2018		30,578,652	74,048,345	872,005	3,554,123	1,181,354	2,331,653	558,113	113,124,245

At 30 June 2017

Particulars	Note	Leasehold buildings Note 4.1	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 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	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

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:

	Note	30 June 2018 Taka	30 June 2017 Taka
Cost of sales	22	23,215,234	23,571,559
Operating expenses	24	1,035,636	425,433
		<u>24,250,870</u>	<u>23,996,992</u>

4.3 Disposal of property, plant and equipment

Particulars	Original cost Taka	Accumulated depreciation Taka	Book value Taka	Sale value Taka	Mode of disposal
Machinery					
2017-2018	2,353,240	588,310	1,764,930	2,000,000	Sold
	<u>2,353,240</u>	<u>588,310</u>	<u>1,764,930</u>	<u>2,000,000</u>	
Vehicles					
2016-2017	1,060,000	1,060,000	-	120,000	Sold
	<u>1,060,000</u>	<u>1,060,000</u>	<u>-</u>	<u>120,000</u>	



5.0 Investments

Investment (at cost)

Quoted

	<u>At 30 June 2018</u>	<u>At 30 June 2017</u>
<u>Note</u>	<u>Taka</u>	<u>Taka</u>
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 (1,105,596 shares)	5.1	52,073,572	48,043,206
Pubali Bank Limited (1,618,712 shares)	5.2	37,392,247	37,924,123
IDLC Finance Limited (4,977,069 shares)	5.3	329,979,675	352,376,485
National Housing Finance and Investment Limited (5,123,276 shares)	5.4	192,122,850	240,281,644
		611,568,344	678,625,458

Unquoted - at cost:

Central Depository Bangladesh Limited (CDBL) (571,181 ordinary shares)		1,569,450	1,569,450
		613,137,794	680,194,908

- 5.1 During the year Company received total 100,508 bonus shares from Reliance Insurance Limited. Fair value of the share as at 30 June 2018 was Tk 47.10 each, being quoted market price on that day.
- 5.2 During the year Company received total 77,081 bonus shares from Pubali Bank Limited. Fair value of the shares as at 30 June 2018 was Tk 23.10 each, being quoted market price on that day.
- 5.3 Fair value of the shares as at 30 June 2018 of IDLC Finance Limited was Tk 66.30 each, being quoted market price on that day.
- 5.4 Fair value of the shares as at 30 June 2018 of National Housing Finance & Investment Limited (NHFIL) was Tk 37.50 each, being quoted market price on that day.

		<u>At 30 June 2018</u>	<u>At 30 June 2017</u>
	<u>Note</u>	<u>Taka</u>	<u>Taka</u>
6.0 Fair value adjustment			
Fair value of the investment (Quoted shares)	5.0	611,568,344	678,625,458
Less: Cost price of the investment (Quoted shares)	5.0	<u>86,957,683</u>	<u>86,957,683</u>
		<u>524,610,661</u>	<u>591,667,775</u>

Fair value of the investment (Quoted shares) of prior year has been changed due to rectification of fair value of the shares.

7.0 Loans and deposits

Cash and article loan to employees		9,860,601	8,410,802
Security and guarantee deposits		1,963,600	1,963,600
		11,824,201	10,374,402
Less : Current portion classified as current assets	10	3,658,073	3,007,628
		8,166,128	7,366,774



		<u>At 30 June 2018</u>	<u>At 30 June 2017</u>
	<u>Note</u>	<u>Taka</u>	<u>Taka</u>
8.0 Inventories			
Raw materials		380,708,029	172,052,090
Raw materials in transit		90,084,814	59,383,763
Work-in-process		3,138,808	1,903,815
Finished goods		79,923,685	85,568,010
Promotional goods		5,388,600	4,621,611
Spare parts		12,836,318	13,872,798
		<u>572,080,254</u>	<u>337,402,087</u>
9.0 Trade and other receivables			
Trade receivables	9.1	267,123,547	201,361,510
Other receivables	9.2	10,130,809	2,970,431
		<u>277,254,356</u>	<u>204,331,941</u>
9.1 Trade receivables			
Sales to customers :			
Due below six months		253,501,556	191,937,232
Due more than six months		13,621,991	9,424,278
		<u>267,123,547</u>	<u>201,361,510</u>
9.2 Other receivables			
Bangladesh Electrical Industries Ltd.		726,186	189,894
Transcom Foods Ltd.		1,155,632	1,056,490
Transcom Distribution Company Ltd.		312,984	353,873
Sena Kalyan Sangstha		131,732	131,732
Transcom Electronics Ltd.		1,366,726	1,021,735
Transcom Mobile Ltd.		90,000	45,000
Miscellaneous		6,347,549	171,707
		<u>10,130,809</u>	<u>2,970,431</u>
10 Advance, deposit and prepayments			
Advances:			
Current portion of cash and article loan to employees	7.0	3,658,073	3,007,628
VAT current account		7,293,729	2,602,143
Advance to employees		4,052,837	3,418,717
Advance to suppliers		13,022	473,523
		15,017,661	9,502,011
Deposits:			
Customs deposits		216	216
Prepayment:			
Prepaid expenses		6,671,542	3,109,038
		<u>21,689,419</u>	<u>12,611,265</u>
11 Advance income tax			
Opening Balance		230,458,800	196,650,793
Add: Advance income tax paid u/s 64 of ITO 1984		-	-
Tax deducted at source		48,213,544	33,808,007
Tax paid for the assessment year 2012-2013		1,056,596	-
		49,270,140	33,808,007
		279,728,940	230,458,800
Less: Adjustment for completed assessments		-	-
Closing Balance		<u>279,728,940</u>	<u>230,458,800</u>



	<u>Note</u>	<u>At 30 June 2018</u> <u>Taka</u>	<u>At 30 June 2017</u> <u>Taka</u>
12 Cash and cash equivalent			
Cash in hand		42,630	23,844
Balance with banks:			
Standard Chartered Bank Ltd. - Kawran Bazar, Dhaka - C/A - 01133949401		24,625	29,789
South East Bank Ltd. - Kawran Bazar, Dhaka - C/A - 001511100000945		1,987	2,332
South East Bank Ltd. - Banani, Dhaka - C/A - 11100007583		1,979,855	508,594
South East Bank Ltd. - Kawran Bazar, Dhaka - C/A - 001511100002375		142,697	70,947
AB bank Ltd-Kawran Bazar Dhaka C/A No- 4002774344000		34,962	12,967,383
Dutch-Bangla Bank Ltd. - Banani, Dhaka - C/A - 10311019889		6,408,509	2,643,287
Dhaka Bank Ltd. - Kawran Bazar, Dhaka - C/A - 2071000007781		10,454,824	598,679
BRAC Bank Ltd. - Gulshan, Dhaka - C/A - 1501201990731001		3,868,438	883,636
The City Bank Ltd. - Gulshan, Dhaka - C/A - 1101237275001		356,783	6,648
Cash at fixed deposit:			
IDLC Finance Limited		43,603,587	22,046,597
National Housing Finance and Investment Limited (NHFIL)		36,557,535	24,766,402
Cash and cash equivalent		103,476,432	64,548,138



13 Share capital

Authorized:

50,000,000 ordinary shares of Tk 10 each

Issued and fully paid up:

9,370,608 ordinary shares of Tk 10 each

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.

	At 30 June 2018 Taka	At 30 June 2017 Taka
	500,000,000	500,000,000
	93,706,080	93,706,080

13.1

13.1 Composition of shareholding

Note	At 30 June 2018		At 30 June 2017	
	No. of shares	Percentage	No. of shares	Percentage
38	5,068,336	54.09%	5,068,336	54.09%
	Transcom Ltd.			
	Transcom Electronics Ltd.	6.94%	650,000	6.94%
	ICB	0.77%	160,209	1.71%
	Foreign investors	0.03%	2,665	0.03%
	Individuals	22.73%	1,824,237	19.47%
	Other institutional investors	15.44%	1,665,161	17.76%
	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 2018.

Classification of shares by holding:

Holdings	Number of holders		% of total holding	
	At 30 June 2018	At 30 June 2017	At 30 June 2018	At 30 June 2017
1 to 500 shares	2,368	2,332	3.9	3.8
501 to 5000 shares	761	556	12.0	8.6
5,001 to 10,000 shares	54	46	3.9	3.3
10,001 to 20,000 shares	40	25	5.9	3.8
20,001 to 30,000 shares	8	5	2.2	1.3
30,001 to 40,000 shares	1	2	0.3	0.8
40,001 to 50,000 shares	3	1	1.4	0.4
50,001 to 100,000 shares	4	4	2.9	2.9
100,001 to 1,000,000 shares	3	5	13.4	21.0
Over 1,000,000 shares	1	1	54.1	54.1
	3,243	2,977	100.0	100.0



		<u>At 30 June 2018</u>	<u>At 30 June 2017</u>
	<u>Note</u>	<u>Taka</u>	<u>Taka</u>
14 Reserves and surplus			
Capital reserve	14.1	2,305,167	2,305,167
General reserve		221,524,520	183,416,823
Fair value reserve		472,149,595	532,500,999
Retained earnings		40,479,116	66,219,521
		<u>736,458,398</u>	<u>784,442,510</u>
14.1 Capital reserve			
Capital reserve was created in 1982 on restructuring of the business.			
15 Deferred liability - gratuity payable			
Opening Balance		50,012,005	52,579,346
Add: Provision during the year		12,149,965	8,311,474
		62,161,970	60,890,820
Less: Payment during the year		12,163,033	10,878,815
		<u>49,998,937</u>	<u>50,012,005</u>
16 Deferred tax liability/ (assets)			
Deferred tax liability/ (assets) is arrived at as follows:			
	<u>Carrying Amount</u>	<u>Tax base</u>	<u>Taxable/</u>
	<u>Taka</u>	<u>Taka</u>	<u>(deductible)</u>
			<u>temporary</u>
			<u>difference</u>
			<u>Taka</u>
<u>At 30 June 2018</u>			
Property, plant and equipment	113,124,245	72,154,317	40,969,928
Gratuity payable	49,998,937	-	(49,998,937)
Total taxable/(deductible) temporary difference			(9,029,009)
Applicable tax rate			25%
Deferred tax asset			(2,257,252)
Available for sale financial assets	524,610,661		524,610,661
Applicable tax rate			10%
Deferred tax liability			52,461,066
Total deferred tax liability			<u>50,203,814</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 taxable/(deductible) temporary difference			(2,522,312)
Applicable tax rate			25%
Deferred tax asset			(630,578)
Available for sale financial assets	591,667,775		591,667,775
Applicable tax rate			10%
Deferred tax liability			59,166,776
Total deferred tax liability			<u>58,536,198</u>
	<u>Note</u>	<u>At 30 June 2018</u>	<u>At 30 June 2017</u>
		<u>Taka</u>	<u>Taka</u>
Movement of deferred tax liability:			
Opening balance		58,536,198	1,304,895
Provision/(reversal) during the year		(1,626,674)	(1,935,473)
Provision/(reversal) during the year (OCI)		(6,705,710)	59,166,776
Closing balance		<u>50,203,814</u>	<u>58,536,198</u>

Figures of the deferred tax of prior year has been changed due to rectification of fair value of the quoted shares.



	<u>Note</u>	<u>At 30 June 2018</u> <u>Taka</u>	<u>At 30 June 2017</u> <u>Taka</u>
17 Short term finance			
Eastern Bank Limited:	17.1		
Bank overdraft		45,486,544	56,778,343
Import loan		335,730,656	202,044,479
		381,217,200	258,822,822
Dhaka Bank Limited:	17.2		
Bank overdraft		18,821,721	-
Import loan		208,707,999	-
		227,529,720	-
Southeast Bank Limited	17.3		
Bank overdraft		3,865,350	46,138,388
		3,865,350	46,138,388
		612,612,270	304,961,210

- 17.1** Total bank overdraft and import loan/LC facility limit with Eastern Bank Limited, Dhaka at 30 June 2018 were Tk 60 million and Tk 440 million respectively with interest @ 10.50 % 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.

- 17.2** Total bank overdraft and import loan/LC facility limit with Dhaka Bank Limited, Dhaka at 30 June 2018 were Tk 50 million and Tk 250 million respectively with interest @ 10.75 % 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 interest @ 3.00% p.a.

- 17.3** Total bank overdraft and import loan/LC facility limit with Southeast Bank Limited, Dhaka at 30 June 2018 were Tk 50 million and Tk 60 million respectively with interest @ 13.00 % p.a., for both the facilities subject to revision from time to time. Interest is charged on quarterly basis. This facility is used for the limited purpose of payroll disbursements only to some employees.

17.4 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.

- 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.
- Registered hypothecation over book debts of the company.
- Corporate guarantee of Transcom Limited.
- Registered hypothecation over duly insured plant and machinery covering the risks for fire and devastation and cyclone.

	<u>At 30 June 2018</u> <u>Taka</u>	<u>At 30 June 2017</u> <u>Taka</u>
18 Trade and other payables		
For goods	75,766,270	40,506,267
For expenses	126,625,503	90,985,286
	202,391,773	131,491,553

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.



	<u>Note</u>	<u>At 30 June 2018</u> <u>Taka</u>	<u>At 30 June 2017</u> <u>Taka</u>
19 Other liabilities			
WPPF contribution		2,829,591	2,628,145
Wages and salaries		7,051,464	8,270,583
Canteen expenses		1,550,667	1,017,087
Energy cost		1,836,696	3,436,861
Telephone and fax		663,050	555,887
Audit fees (including WPPF and PF audit)		402,500	416,875
Legal advisor's fees		294,069	310,548
Dividend payable		12,229,684	10,479,546
Provision for royalty	19.1	47,268,098	38,493,383
Security deposit		1,488,067	938,067
Withholding tax		627,494	184,371
		<u>76,241,380</u>	<u>66,731,353</u>
19.1 Provision for royalty			
Opening Balance		38,493,383	30,983,736
Add: Provision during the year		8,774,715	7,509,647
		<u>47,268,098</u>	<u>38,493,383</u>
Less: Payment during the year		-	-
Closing balance	19.2	<u>47,268,098</u>	<u>38,493,383</u>
19.2 Closing balance comprises of the following:			
For Philips brand		41,898,236	36,433,452
For Transtec brand		5,369,862	2,059,931
		<u>47,268,098</u>	<u>38,493,383</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.

	<u>At 30 June 2018</u> <u>Taka</u>	<u>At 30 June 2017</u> <u>Taka</u>
20 Provision for tax		
Opening Balance	149,305,529	134,157,361
Add: Provision for the year	17,739,387	15,148,168
	<u>167,044,916</u>	<u>149,305,529</u>
Less: Adjustment for completed assessments	-	-
	<u>167,044,916</u>	<u>149,305,529</u>

21	Revenue	Note	30 June 2018	30 June 2017
			Taka	Taka
	Electric bulbs	21.1		
	Sales		313,930,039	294,533,098
	Less: VAT		48,063,059	43,584,623
			265,866,980	250,948,475
	Energy saving lamps			
	Sales		530,420,711	626,451,441
	Less: VAT		23,821,487	25,531,753
			506,599,224	600,919,688
	Fluorescent tube lights			
	Sales		89,837,202	127,951,857
	Less: VAT		5,269,886	7,351,693
			84,567,316	120,600,164
	Starter			
	Sales		7,052,474	9,020,929
	Less: VAT		1,073,294	1,375,511
			5,979,180	7,645,418
	Ballast			
	Sales		6,855,276	5,181,288
	Less: VAT		1,032,930	779,898
			5,822,346	4,401,390
	LED bulbs			
	Sales		536,326,564	224,824,483
	Less: VAT		81,867,070	33,226,630
			454,459,494	191,597,853
	LED tube lights			
	Sales		169,735,126	51,090,910
	Less: VAT		17,295,617	7,631,134
			152,439,509	43,459,776
	Luminaire			
	Sales		43,500	411,440
	Less: VAT		5,478	53,504
			38,022	357,936
	Net sales		<u>1,475,772,071</u>	<u>1,219,930,700</u>

21.1 This includes net sales of Philips Brand GLS bulbs of Taka 151,799,564 for the year ended Jul'17-Jun'18, and Taka 151,380,981 for the year ended Jul'16 to Jun'17.



	<u>Note</u>	<u>30 June 2018</u> <u>Quantity</u>	<u>30 June 2017</u> <u>Quantity</u>
21.2 Sales Quantity			
Electric bulbs		14,520,173	13,085,110
Energy saving lamps		2,573,178	2,781,979
Fluorescent tube lights		1,404,082	1,954,759
Starter		861,096	1,109,126
Ballast		48,156	36,107
LED bulbs		2,169,357	940,269
LED tube lights		501,819	146,566
Luminaire		30	293
		<u>30 June 2018</u> <u>Taka</u>	<u>30 June 2017</u> <u>Taka</u>
22 Cost of sales			
Opening stock of raw materials		172,052,090	130,377,926
Purchase during the year		999,270,585	716,889,951
Raw materials consumed for trial production		(264,893)	-
Closing stock of raw materials		(380,708,029)	(172,052,090)
Raw materials consumed	22.1	<u>790,349,753</u>	<u>675,215,787</u>
Salaries and wages		96,060,346	88,802,439
Gratuity		8,040,621	5,858,292
Contribution to provident fund		2,369,489	2,163,344
Medical expenses		1,733,632	1,881,962
Staff welfare expenses		4,112,944	3,112,243
Canteen expenses		15,496,505	16,263,465
Power and fuel		23,811,609	27,639,270
Repairs and maintenance - General		3,373,933	3,286,558
Repairs and maintenance - Machinery		970,623	1,475,064
Stores and spares consumed		4,410,495	6,239,295
Rent, rates and taxes		8,606,260	8,606,260
Insurance		1,270,706	1,299,143
Telephone and fax		601,649	802,473
Travelling and conveyance		595,843	394,675
Depreciation	4.2	<u>23,215,234</u>	<u>23,571,559</u>
		985,019,642	866,611,829
Opening work-in-process		1,903,815	608,668
Closing work-in-process	22.2	<u>(3,138,808)</u>	<u>(1,903,815)</u>
Cost of production		<u>983,784,649</u>	<u>865,316,682</u>
Opening stock of finished goods		85,568,010	79,873,100
Finished goods purchased during the year		155,777,452	65,954,357
Closing stock of finished goods	8.0	<u>(79,923,685)</u>	<u>(85,568,010)</u>
		<u><u>1,145,206,426</u></u>	<u><u>925,576,129</u></u>



22.1 Raw materials consumed
30 June 2018

Description	Opening stock	Purchase	Closing stock	Consumption
	Value	Value	Value	Value
	Taka	Taka	Taka	Taka
Imported:				
GLS	14,855,858	59,619,362	17,052,543	57,422,677
CFL	98,855,520	365,178,242	153,751,451	310,282,311
FTL	16,170,478	41,686,417	18,965,595	38,891,300
LED	27,360,539	372,697,177	166,701,072	233,356,644
Electrical Accessories	-	10,609,194	8,144,997	2,464,197
Others	2,140,307	3,873,628	715,547	5,298,388
Imported total	159,382,702	853,664,020	365,331,205	647,715,517
Local:				
GLS	7,502,119	73,015,283	3,704,337	76,813,065
CFL	2,195,521	34,420,577	3,613,531	33,002,567
FTL	1,622,079	13,423,516	1,205,834	13,839,761
LED	1,272,269	24,097,663	6,420,211	18,949,721
Electrical Accessories	-	531,526	401,364	130,162
Others	77,400	118,000	31,547	163,853
Local total	12,669,388	145,606,565	15,376,824	142,899,129
Grand total	172,052,090	999,270,585	380,708,029	790,614,646

Less: Materials used for trial production

264,893

Total raw materials consumed

790,349,753

Out of the total raw materials consumed, 82% was imported and the rest 18% was procured from local sources.

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.



22.2 Break up of work-in-process

<u>Description</u>	<u>At 30 June 2018</u>		<u>At 30 June 2017</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	12,830	95,319	16,500	117,725
Unpacked lamps	138,777	1,752,817	67,305	829,400
Chemicals		528,165		593,211
		<u>2,376,301</u>		<u>1,540,336</u>
FTL:				
Stem light	-	-	-	-
Mount light	-	-	-	-
Unpacked light	17,050	762,507	7,500	363,479
Inner sleeve	-	-	-	-
		<u>762,507</u>		<u>363,479</u>
		<u>3,138,808</u>		<u>1,903,815</u>

22.3 Closing stock of finished goods (in units)

	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Quantity</u>	<u>Quantity</u>
Electric bulbs	1,876,357	2,640,929
Energy saving lamps	41,126	55,547
Fluorescent tube lights	51,925	174,007
Starter	1,707	2,803
Ballast	14,502	17,098
LED bulbs	132,515	85,874
LED tube lights	23,029	36,191
Electrical Accessories	95,916	-



		<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Note</u>	<u>Taka</u>	<u>Taka</u>
23 Other income			
Dividend income	23.1	28,371,832	27,665,351
Cost recovery		7,106,664	7,106,664
Gain on disposal of plant, property and equipment		235,070	120,000
Income from sale of scrap		199,251	2,814,950
Sale proceeds from fractional bonus shares		69	22
		<u>35,912,886</u>	<u>37,706,987</u>

23.1 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.

		<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Note</u>	<u>Taka</u>	<u>Taka</u>
24 Operating expenses			
Salaries & benefits		76,343,517	63,184,421
Gratuity		3,705,612	2,453,182
Contribution to provident fund		1,126,112	941,046
Medical expenses		2,108,630	1,164,597
Computer & IT expenses		3,553,561	3,070,023
Rent, rates and taxes		60,756	60,756
Fuel and power		8,454,767	6,538,272
Insurance		244,113	189,388
Repairs and maintenance		481,740	791,724
Vehicle running expenses		2,692,134	3,040,903
Travelling and conveyance		13,443,199	13,954,028
Licence and registration fees		1,024,073	1,733,290
Postage and stamps		301,273	125,484
Directors' fees		770,500	678,500
Legal and professional expenses		440,947	607,837
Auditors' remuneration		373,750	381,337
Bank charges		718,150	567,212
Periodicals and journals		352,592	529,217
Entertainment		991,260	764,473
Printing and stationery		3,139,743	2,981,005
Telephone and fax		4,354,361	3,658,207
Royalty		8,774,715	7,509,647
Selling and distribution expenses		54,554,673	34,526,861
Replacement Cost		34,056,448	58,163,754
Sales promotion and publicity		64,788,362	51,588,302
Depreciation	4.2	1,035,636	425,433
		<u>287,890,624</u>	<u>259,628,899</u>
25 Finance cost			
On short term finance		23,635,291	21,735,264
		<u>23,635,291</u>	<u>21,735,264</u>
26 Finance income			
Interest income		4,358,965	4,406,441
Interest on cash loan to employees		109,839	87,203
		<u>4,468,804</u>	<u>4,493,644</u>
27 Income tax expenses			
Current tax		(17,739,387)	(15,148,168)
Deferred tax	16	1,626,674	1,935,473
		<u>(16,112,713)</u>	<u>(13,212,695)</u>



	<u>Note</u>	<u>30 June 2018</u> <u>Taka</u>	<u>30 June 2017</u> <u>Taka</u>
28 Changes in fair value of shares available for sale			
Closing fair value reserve	6.0	524,610,661	591,667,775
Less: Opening fair value reserve		<u>591,667,775</u>	<u>326,404,505</u>
		<u>(67,057,114)</u>	<u>265,263,270</u>
29 Basic Earnings per share			
The computation of EPS is given below:			
A. Earnings attributable to ordinary shareholders		40,479,116	39,350,199
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)		<u>4.32</u>	<u>4.20</u>
29.1 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.			
30 Net asset value per share (NAV)			
The computation of NAV is given below:			
A Net asset		830,164,478	878,148,590
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)		<u>88.59</u>	<u>93.71</u>
31 Net operating cash flow per share (NOCFPS)			
The computation of NOCFPS is given below:			
A Net cash used in operating activities		(234,365,462)	(43,823,184)
B Weighted average number of ordinary shares outstanding at the year end		9,370,608	9,370,608
Net operating cash flow per share (NOCFPS) (A/B)		<u>(25.01)</u>	<u>(4.68)</u>
32 Reconciliation of net operating cash flow			
Profit before tax		56,591,829	52,562,894
Income tax expenses		<u>(16,112,713)</u>	<u>(13,212,695)</u>
Profit after tax		40,479,116	39,350,199
Adjustment for:			
Depreciation		24,250,870	23,996,992
Gain on disposal of plant, property and equipment		(235,070)	(120,000)
Dividend income		(28,371,832)	(27,665,351)
Sale proceeds from fractional bonus shares		<u>(69)</u>	<u>(22)</u>
		36,123,015	35,561,818
Changes in:			
Loans and deposits		(799,354)	(303,421)
Inventories		(234,678,167)	(46,713,057)
Trade and other receivables		(71,422,416)	730,740
Advances, deposits and prepayments		(9,078,154)	(182,201)
Advance income tax		(49,270,140)	(33,808,007)
Deferred liability - gratuity payable		(13,068)	(2,567,341)
Deferred tax liability/(asset)		(1,626,674)	(1,935,473)
Trade and other payables		70,900,220	(19,876,160)
Other liabilities		7,759,889	10,121,750
Provision for tax		<u>17,739,387</u>	<u>15,148,168</u>
Net cash used in operating activities		<u>(234,365,462)</u>	<u>(43,823,184)</u>



	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Quantity</u>	<u>Quantity</u>
33 Capacity utilization		
Electric bulbs	13,755,601	14,090,856
Energy saving lamps	2,558,757	2,558,400
Fluorescent tube lights	1,282,000	2,127,150
Starter	860,000	1,024,000
Luminaire	30	293
LED bulbs	1,883,527	859,130
LED tube lights	155,520	-
Electrical Accessories	95,916	-

The existing capacity of electric bulb is 19.16 million in single shifts, fluorescent tube light (FTL) is 2.4 million in single shift, energy saving lamp (CFL) is 4.43 million in single shift, Light-emitting diodes (LED) bulb is 3.0 million in single shift per annum and LED Tube Light is 0.6 million in single shift per annum.



34 Remuneration of Directors and Officers

No. of Directors & Officers	30 June 2018		30 June 2017	
	<u>Directors</u>	<u>Officers</u>	<u>Directors</u>	<u>Officers</u>
	11	175	12	145
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Fees	770,500	-	678,500	-
Remuneration	300,000	47,625,954	300,000	37,673,160
Provident fund contribution	-	1,146,845	-	602,417
Provision for gratuity	-	2,925,546	-	2,621,922
Housing	-	9,940,409	-	8,584,983
Other perquisites	-	6,153,130	-	5,456,790
	<u>1,070,500</u>	<u>67,791,884</u>	<u>978,500</u>	<u>54,939,272</u>

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

35 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.

35.1 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:

	30 June 2018	30 June 2017
	<u>Taka</u>	<u>Taka</u>
Trade receivables	267,123,547	201,361,510
Other receivables	10,130,809	2,970,431
Cash at bank	103,433,802	64,524,294
	<u>380,688,158</u>	<u>268,856,235</u>

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

GLS	50,753,474	44,765,482
CFL	85,479,535	95,213,071
FTL	16,027,413	19,447,141
LED bulbs	88,150,770	33,948,042
LED tube lights	26,712,355	7,987,774
	<u>267,123,547</u>	<u>201,361,510</u>



	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
b) Ageing of trade receivables		
The ageing of gross trade receivables at the reporting date was:		
Invoiced 0-30 days	165,314,348	120,255,147
Invoiced 31-60 days	42,287,463	35,284,674
Invoiced 61-90 days	29,742,043	27,809,753
Invoiced 91-120 days	9,635,351	4,399,544
Invoiced 121-180 days	6,522,351	4,188,114
Invoiced 181-365 days	5,275,103	1,985,803
Invoiced above 365 days	8,346,888	7,438,475
	<u>267,123,547</u>	<u>201,361,510</u>
c) Ageing of other receivables		
The ageing of other receivables at the reporting date was:		
Invoiced 0-30 days	9,999,077	2,838,699
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>10,130,809</u>	<u>2,970,431</u>



35.2 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 Taka	Contractual cash flows Taka	6 months or less Taka	6-12 months Taka	1-2 years Taka	2-5 years Taka	More than 5 years Taka
At 30 June 2018							
Non-derivative financial liabilities:							
Trade payables	75,766,270	75,766,270	75,766,270	-	-	-	-
Payables for expenses	126,625,503	126,625,503	123,476,567	-	-	-	3,148,936
Other liabilities	76,241,380	76,241,380	24,530,321	1,849,354	11,306,690	30,849,265	7,705,750
Derivative financial liabilities	-	-	-	-	-	-	-
	278,633,153	278,633,153	223,773,158	1,849,354	11,306,690	30,849,265	10,854,686
At 30 June 2017							
Non-derivative financial liabilities:							
Trade payables	40,506,267	40,506,267	40,506,267	-	-	-	-
Payables 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



35.3 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>30 June 2018</u>		<u>30 June 2017</u>	
	<u>BDT</u>	<u>USD</u>	<u>BDT</u>	<u>USD</u>
Foreign currency denominated assets	-	-	-	-
Foreign currency denominated liabilities				
Trade payables	(23,570,175)	(281,435)	(43,196,165)	(531,972)
Net exposure	<u>(23,570,175)</u>	<u>(281,435)</u>	<u>(43,196,165)</u>	<u>(531,972)</u>

The following significant exchange rates are applied during the period:

	<u>Exchange rates as</u>	
	<u>30 June 2018</u>	<u>30 June 2017</u>
US Dollar (USD)	<u>Taka</u> 83.75	<u>Taka</u> 81.20

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>30 June 2018</u>				
Expenditures denominated in USD	(2,357,017)	2,357,017	(2,357,017)	2,357,017
Exchange rate sensitivity	<u>(2,357,017)</u>	<u>2,357,017</u>	<u>(2,357,017)</u>	<u>2,357,017</u>
<u>30 June 2017</u>				
Expenditures denominated in USD	(4,319,617)	4,319,617	(4,319,617)	4,319,617
Exchange rate sensitivity	<u>(4,319,617)</u>	<u>4,319,617</u>	<u>(4,319,617)</u>	<u>4,319,617</u>



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:

	<u>Carrying amount</u>	
	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>Taka</u>	<u>Taka</u>
Fixed rate instruments		
<i>Financial assets</i>		
Cash at bank	103,433,802	64,524,294
<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	612,612,270	304,961,210
	<u>612,612,270</u>	<u>304,961,210</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 2018</u>		<u>30 June 2017</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	277,254,356	277,254,356	204,331,941	204,331,941
Cash at bank	103,433,802	103,433,802	64,524,294	64,524,294
Available for sale of financial assets	-	-	-	-
Investment on shares	613,137,794	613,137,794	680,194,908	680,194,908
Liabilities carried at fair value through profit or loss	-	-	-	-
Liabilities carried at amortised costs				
Trade payables	75,766,270	N/A*	40,506,267	N/A*
Payables for expenses	126,625,503	N/A*	90,985,286	N/A*
Other Liabilities	76,241,380	N/A*	66,731,353	N/A*
Other non-current liabilities	100,202,751	N/A*	108,548,203	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.



36 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 year are as follows:

Name of related party	Relationship	Nature of transaction	Transaction			
			Opening receivable/ (payable) "A"	Addition Amount "B"	Adjustment Amount "C"	Receivable/ (payable) At 30 June 2018 "D=A+B-C"
			Taka	Taka	Taka	Taka
Transcom Electronics Ltd.	Shareholding company	a) Cost recovery, utilities and distribution expenses b) Dividend paid	1,021,735 -	20,794,050 1,560,000	20,449,059 1,560,000	1,366,726 -
Bangladesh Electrical Industries Ltd.	Group company	Cost of accommodation, utility facilities and security cost recovery	189,894	11,666,347	11,130,055	726,186
Transcom Foods Ltd.	Group company	Cost of accommodation, utility facilities and security cost recovery	1,056,490	1,945,286	1,846,144	1,155,632
Transcom Distribution Company Ltd.	Group company	a) Cost of accommodation, utility facilities and security cost recovery b) Sales	353,873 66,321	5,794,341 49,023	5,835,230 61,709	312,984 53,635
Transcom Mobile Ltd.	Group company	Cost of accommodation, utility facilities and security cost recovery & product purchase	45,000	45,000	-	90,000
Transcom Limited	Holding company	a) Computer & IT expenses b) Royalty c) Dividend paid d) Sales	(11,016,581) (2,059,931) - 2,250	1,099,328 - 12,164,006 211,939	3,405,573 3,309,997 12,164,006 211,939	(13,322,826) (5,369,928) - 2,250
Eskayef Pharmaceutical Ltd.	Group company	Sales	1,139,884	2,802,030	2,746,237	1,195,677
Mediastar Ltd.	Group company	Sales	26,488	192,750	94,570	124,668
Mediaworld Ltd.	Group company	Sales	1,486	218,000	101,593	117,893
Transcom Consumer Products Ltd.	Group company	Sales	28,248	14,690	16,062	26,876
Transcom Beverages Ltd.	Group company	Sales	26,620	-	-	26,620
Transcraft Ltd.	Group company	Sales	-	80,200	52,600	27,600
Sena Kalyan Sangstha	Group company	Sales	131,732	-	-	131,732



37 Number of employees

The number of permanent employees receiving remuneration of Tk 36,000 or above per employee per year were 370 (30 June 2017: 401).

38 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 2018.

39 Claims against the company not acknowledged as debt

None at 30 June 2018.

40 Contingent liability

- 40.1** There is a contingent liability of Tk. 4.53 million, Tk. 6.93 million, Tk. 7.98 million, Tk. 5.25 million, Tk.4.02 million in regard to disputed tax claims for the tax assessment year 1999-2000, 2010-2011, 2011-2012, 2012-2013, 2013-2014 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. 8.67 million and 1.41 million with regard to unresolved disputed tax claims against the tax Assessment Years (AY) 2014-2015 and 2017-2018 respectively. Appeals against tax disputes for the AY 2014-2015 have been filed before the Appellate Tribunal of Taxes. Appeals against tax disputes for years (AY) 2017-2018 have been filed before the Commissioner of Taxes (Appeals). Disallowances of the expenses being tax disputes were unjust and have no merit and accordingly no additional provision has been made against the disallowances.

- 40.2** There are contingent liabilities of Tk. 164.36 million, Tk. 33.85 million and Tk. 0.29 million due to outstanding 'Letter of Credit' and 'Bank Guarantee' issued by Eastern Bank Limited, Dhaka Bank Limited and Southeast Bank Limited respectively.

- 40.3** 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.

41 Capital expenditure commitment

None.

42 Receivable from directors

None.

43 Accounting standards issued but not yet effective

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

IFRS 9 Financial Instruments

BFRS/IFRS 9, published in July 2014, replaces the existing guidance in BAS/IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS/IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 9.



IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers will be effective for annual periods beginning on or after 1 January 2018. The standard deals with revenue recognition and establishes principles for reporting useful information about the nature, amount, timing and uncertainty of revenues and cash flows arising from the Company's contracts with its customers. The standard provides clarification about when control of goods is passed to customers and contains more guidance about the measurement of revenue contracts which have discounts, rebates and other payments to customers.

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

During 2017-18, the Company completed a detailed review of the requirements of IFRS 15 against current accounting policies. The areas the Company considered included payments to customers, the timing of revenue recognition based on control of goods, principal and agent relationships and consignment inventories. The Company is assessing the potential impact on its financial statements resulting from the application of adopting IFRS 15.

BFRS/IFRS 16 Leases

IFRS 16 eliminates the current operating/finance lease dual accounting model for leases. Instead, there is a single, on-balance sheet accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS will replace the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption is permitted if IFRS 15 Revenue from Contracts with Customers is also adopted.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.

44 Events after the reporting period

For the year ended 30 June 2018, the Board of Directors recommended a cash dividend of Tk. 2.00 per share amounting to Tk. 18,741,216 at the board meeting held on 03 October 2018.

