# Annual Report 2016-2017




## Bangladesh Lamps Limited

TRANSTEC®

## বিষয়সূচী


| | |
|---|---|
| পরিচালকমন্ডলী | ১ |
| প্রধান নির্বাহী কর্মকর্তা ও নির্বাহী পরিচালক | ১ |
| প্রধান পরিচালন কর্মকর্তা | ১ |
| প্রধান অর্থবিষয়ক কর্মকর্তা | ১ |
| নিরীক্ষা কমিটি | ১ |
| কোম্পানী সচিব | ১ |
| প্রধান আভ্যন্তরীণ নিরীক্ষক | ১ |
| নিরীক্ষক ও ব্যাংকার | ১ |
| সাধারণ সভার বিজ্ঞপ্তি | ২ |
| দশ বছরের আর্থিক ও ব্যবসায়িক তথ্যাবলী | ৪ |
| বিগত সভার দৃশ্যাবলী | ৬ |
| রেখাচিত্রে বিশ্লেষণ | ৭ |
| পরিচালকমন্ডলীর বৃত্তান্ত | ৮ |
| পরিচালকমন্ডলীর প্রতিবেদন | ১৩ |
| শেয়ারহোল্ডিং প্যাটার্ণ | ২১ |
| কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট | ২২ |
| সিইও এবং সিএফও কর্তৃক বোর্ডকে সার্টিফিকেট প্রদান | ২৫ |
| কর্পোরেট গভর্নেন্স কমপ্লায়েন্স সনদ | ২৬ |
| নিরীক্ষা কমিটির প্রতিবেদন | ২৭ |
| নিরীক্ষকের প্রতিবেদন | ২৮ |
| আর্থিক অবস্থার বিবরণী | ২৯ |
| মুনাফা/ লোকসান এবং অন্যান্য সমন্বিত আয়ের বিবরণী | ৩০ |
| মালিকানাস্বত্বের পরিবর্তন বিবরণী | ৩১ |
| নগদ প্রবহণ বিবরণী | ৩২ |
| আর্থিক বিবরণীর টিকা সমূহ | ৩৩ |


## Contents


| | |
|---|---|
| Board of Directors | 1 |
| Chief Executive Officer & Executive Director | 1 |
| Chief Operating Officer | 1 |
| Chief Financial Officer | 1 |
| Audit Committee | 1 |
| Company Secretary | 1 |
| Head of Internal Audit | 1 |
| Auditors & Bankers | 1 |
| Notice of General Meeting | 3 |
| A Ten-year Financial and Business Highlights | 5 |
| Glimpses of the Last Meeting | 6 |
| Graphic Illustrations | 7 |
| Directors' Profile | 8 |
| Directors' Report | 13 |
| Shareholding Pattern | 21 |
| Corporate Governance Compliance Report | 22 |
| The CEO and CFO's Certification to the Board | 25 |
| Corporate Governance Compliance Certificate | 26 |
| Audit Committee Report | 27 |
| Auditors' Report | 28 |
| Statement of Financial Position | 29 |
| Statement of Profit or Loss and Other Comprehensive Income | 30 |
| Statement of Changes in Equity | 31 |
| Statement of Cash Flows | 32 |
| Notes to the Financial Statements | 33 |


AMARSTOCK

## পরিচালকমন্ডলী

| | | |
|---|---|---|
| শাহনাজ রহমান | : | সভাপতি |
| লতিফুর রহমান | : | ব্যবস্থাপনা পরিচালক |
| সাইফুর রহমান | : | পরিচালক |
| আতিকুর রহমান | : | পরিচালক |
| শামসুর রহমান | : | পরিচালক |
| ওবায়দুর রহমান খান | : | পরিচালক |
| আরশাদ ওয়ালিউর রহমান | : | পরিচালক |
| সিমিন হোসেন | : | পরিচালক |
| শাজরে হক | : | পরিচালক |
| আহমদ শফি চৌধুরী | : | নিরপেক্ষ পরিচালক |
| রোকিয়া আফজাল রহমান | : | নিরপেক্ষ পরিচালক |
| আনিস-উজ-জামান খান | : | নিরপেক্ষ পরিচালক |

## BOARD OF DIRECTORS

| | | |
|---|---|---|
| Shahnaz Rahman | : | Chairman |
| Latifur Rahman | : | Managing Director |
| Saifur Rahman | : | Director |
| Atiqur Rahman | : | Director |
| Shamsur Rahman | : | Director |
| Obaidur Rahman Khan | : | Director |
| Arshad Waliur Rahman | : | Director |
| Simeen Hossain | : | Director |
| Shahzreh Huq | : | Director |
| Ahmed Shafi Choudhury | : | Independent Director |
| Rokia Afzal Rahman | : | Independent Director |
| Anis-uz-Zaman Khan | : | Independent Director |

**প্রধান নির্বাহী কর্মকর্তা**
লতিফুর রহমান

**Chief Executive Officer**
Latifur Rahman

**নির্বাহী পরিচালক**
ওবায়দুর রহমান খান

**Executive Director**
Obaidur Rahman Khan

**প্রধান পরিচালন কর্মকর্তা**
আরশাদ হক

**Chief Operating Officer**
Arshad Huq

**প্রধান অর্থবিষয়ক কর্মকর্তা**
এ. কে. এম. মঈনুদ্দিন, এফসিএ

**Chief Financial Officer**
A. K. M. Moinuddin, FCA

**নিরীক্ষা কমিটি**

| | | |
|---|---|---|
| আহমদ শফি চৌধুরী | : | সভাপতি |
| আতিকুর রহমান | : | সদস্য |
| ওবায়দুর রহমান খান | : | সদস্য |
| আরশাদ ওয়ালিউর রহমান | : | সদস্য |

**Audit Committee**

| | | |
|---|---|---|
| Ahmed Shafi Choudhury | : | Chairman |
| Atiqur Rahman | : | Member |
| Obaidur Rahman Khan | : | Member |
| Arshad Waliur Rahman | : | Member |

**কোম্পানী সচিব**
মোহাম্মদ রুহান মিঞা, এফসিএস

**Company Secretary**
Mohammad Ruhan Miah, FCS

**প্রধান আভ্যন্তরীণ নিরীক্ষক**
মোহাম্মদ সাকিল চৌধুরী, এফসিএ

**Head of Internal Audit**
Mohammed Shakil Choudhury, FCA

**নিরীক্ষক**
নুরুল ফারুক হাসান এন্ড কোং
চার্টার্ড এ্যাকাউন্ট্যান্টস

**Auditors**
Nurul Faruk Hasan & Co.
Chartered Accountants

**ব্যাংকার**
ইস্টার্ন ব্যাংক লিমিটেড
সাউথইষ্ট ব্যাংক লিমিটেড
স্ট্যান্ডার্ড চার্টার্ড ব্যাংক

**Bankers**
Eastern Bank Limited
Southeast Bank Limited
Standard Chartered Bank

**প্রধান কার্যালয় ও কারখানা**
সদর রোড, মহাখালী, ঢাকা-১২০৬
ফোন : ৯৮৫৫৩৭১-৮০
ওয়েব ঃ www.bll.com.bd

**Head Office & Factory**
Sadar Road, Mohakhali, Dhaka-1206
Phones : 9855371-80
Web: www.bll.com.bd

**রেজিস্টার্ড অফিস**
৫২, মতিঝিল বা/এ, ঢাকা-১০০০

Registered Office
52, Motijheel C/A, Dhaka-1000

# ৫৬তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বিজ্ঞপ্তি দেওয়া হচ্ছে যে, নিম্নলিখিত আলোচ্যসূচী সম্পাদনের জন্য কোম্পানীর ৫৬তম বার্ষিক সাধারণ সভা আগামী **১২ই সেপ্টেম্বর ২০১৭, মঙ্গলবার, সকাল ১১:০০ টায়** ইমানুয়্যালস্ ব্যাংকুয়েট হল, বাড়ী নং ০৪, রোড নং ১৩৪-১৩৫, গুলশান-১, ঢাকায় অনুষ্ঠিত হবে:

## আলোচ্যসূচী

১। ৩০শে জুন ২০১৭ সালে সমাপ্ত কোম্পানীর পরিচালক ও নিরীক্ষকদের প্রতিবেদন এবং নিরীক্ষিত ১৮ মাস মেয়াদের আর্থিক বিবরণী বিবেচনা ও অনুমোদন।

২। ৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদের লভ্যাংশ ঘোষণা।

৩। পরিচালকবৃন্দের নির্বাচন।

৪। নিরীক্ষকগণের ৬ মাসের (জানুয়ারী-জুন ২০১৭) পারিশ্রমিক অনুমোদন এবং ২০১৭-২০১৮ সালের জন্য নিরীক্ষক নিয়োগ ও তাঁদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর সিদ্ধান্তক্রমে

**মোহাম্মদ রুহান মিঞা, এফসিএস**
কোম্পানী সচিব

২০-০৮-২০১৭
সদর রোড, মহাখালী
ঢাকা-১২০৬

**দ্রষ্টব্য:**

১। **২৯-০৮-২০১৭ তারিখ রেকর্ড ডেট হিসেবে ধার্য করা হয়েছে।** যে সকল শেয়ারসদস্যদের নাম ঐ তারিখে কোম্পানীর শেয়ার রেজিস্টারে বা ডিপোজিটরী রেজিস্টারে অন্তর্ভূক্ত থাকবে কেবল তাঁরাই বার্ষিক সাধারণ সভায় যোগদানের জন্য বিবেচিত হবেন।

২। সভায় উপস্থিতির এবং ভোট প্রদানের অধিকার প্রাপ্ত কোন সদস্য তাঁর পরিবর্তে একজনকে প্রক্সি নিয়োগ করতে পারেন। ২০ টাকার রেভিনিউ ষ্ট্যাম্প সংযুক্ত এরূপ প্রক্সিপত্র কোম্পানীর প্রধান কার্যালয়ে সভা শুরু হওয়ার ৪৮ ঘন্টা পূর্বে অর্থাৎ ৭ই সেপ্টেম্বর ২০১৭-এর মধ্যে জমা করতে হবে।

৩। ব্যাখ্যার সুবিধার্থে শেয়ারসদস্যদের অনুরোধ করা যাচ্ছে যে, তাঁরা যেন ৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদের পরিচালকমন্ডলীর প্রতিবেদন বা নিরীক্ষিত আর্থিক বিবরণীর উপর তাঁদের প্রশ্নাবলী, যদি থাকে, তা কোম্পানীর প্রধান কার্যালয়ে সাধারণ সভার ৭ দিন পূর্বে জমা দেন।

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি)-এর সার্কুলার নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ অক্টোবর ২৪, ২০১৩ অনুযায়ী বার্ষিক সাধারণ সভায় কোন খাবার বা কুপনের ব্যবস্থা থাকবে না।

# NOTICE OF THE 56TH ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of the Company will be held on **Tuesday, 12th September 2017, at 11:00 a.m.** at the Emmanuelle's Banquet Hall, House No. 04, Road No. 134-135, Gulshan-1, Dhaka to transact the following business :

## AGENDA

1. Consideration and adoption of the Directors' and Auditors' reports and the Audited Financial Statements of the Company for the 18 months period ended on 30 June 2017.
2. Declaration of Dividend for the 18 months period ended on 30 June 2017.
3. Election of Directors.
4. Approval of Auditors' remuneration for the period of 6 months (January-June 2017) and appointment of Auditors for the year 2017-2018 and fixation of their remuneration.

By order of the Board

**Mohammad Ruhan Miah, FCS**
Company Secretary

20-08-2017
Sadar Road, Mohakhali
Dhaka-1206

## NOTES :

1. **29-08-2017 is the Record Date.** The shareholders whose names will appear in the share register of the Company or in the depository register on that date, will be eligible to attend the Annual General Meeting.
2. A shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote in his/her place. The proxy form, stamped with a revenue stamp of Tk. 20, should be submitted at the Head Office of the Company 48 hours before the meeting, i.e. by the close of business on 7th September 2017.
3. For the sake of convenience, shareholders are requested to submit their queries on the Directors' report / Audited Financial Statements for the 18 months period ended on 30 June 2017, if any, at the Head Office of the Company preferably 7 days before the day of the General Meeting.

As per circular of Bangladesh Securities and Exchange Commission (BSEC) no. SEC/CMRRCD/2009-193/154 dated October 24, 2013, no food or gift will be arranged at the AGM.

# দশ বছরের আর্থিক ও ব্যবসায়িক তথ্যাবলী

| বিবরণ | ২০১৬-২০১৭ (১৮ মাস) | ২০১৫ | ২০১৪ | ২০১৩ | ২০১২ | ২০১১ | ২০১০ | ২০০৯ | ২০০৮ | ২০০৭ |
|---|---|---|---|---|---|---|---|---|---|---|
| **আয় ও লভ্যাংশ** | | | | | | | | | | |
| বিক্রয় | ১৮৪৪.০ | ১২৬২.৯ | ১১৭৫.১ | ১০৩১.৬ | ৯৫৩.৫ | ৬৮১.৬ | ৬২২.৬ | ৬১৫.৩ | ৫৩৮.০ | ৩৫১.২ |
| করপূর্ব মুনাফা /(লোকসান) | ৮৭.৭ | ৪১.৮ | ২৯.২ | -১২.৫ | -৪৭.০ | ৬৫.০ | ৮১.৬ | ৭৮.০ | ৭১.৬ | ৫৩.৬ |
| বিক্রয়ের উপর শতকরা হার (করপূর্ব মুনাফা / লোকসান) | ৪.৮ | ৩.৩ | ২.৫ | -১.২ | -৪.৯ | ৯.৫ | ১৩.১ | ১২.৭ | ১৩.৩ | ১৫.২ |
| করবাদ মুনাফা/(লোকসান) | ৬৬.২ | ৩০.৯ | ১৯.৯ | -১০.৮ | -৪৯.৮ | ৪৭.১ | ৬১.৭ | ৫৮.৫ | ৫৫.৩ | ৩৫.৪ |
| বিক্রয়ের উপর শতকরা হার (করবাদ মুনাফা / লোকসান) | ৩.৬ | ২.৪ | ১.৭ | -১.০ | -৫.২ | ৬.৯ | ৯.৯ | ৯.৫ | ১০.৩ | ১০.১ |
| শেয়ারপ্রতি আয় টাকা | ৭.১ | ৩.৩ | ২.১ | -১.২ | -৫.৩ | ৬.৫ | ৮.৬ | ৮.১ | ৭.৭ | ৪.৯ |
| শেয়ারপ্রতি নথি-মূল্য টাকা | ৯৩.৭ | ৭০.৭ | ৬৫.৮ | ৬৩.১ | ৬৫.৬ | ১১৪.৩ | ১৫৫.৫ | ১০১.৭ | ৫২.৬ | ৩৩.১ |
| শেয়ারপ্রতি লভ্যাংশ টাকা | ৩.০ | ২.০০ | ২.০০ | ২.০০ | ২.০০ | ০.০০ | *৩.৫০ | *৩.৫০ | *৩.৫০ | *৩.০০ |
| শেয়ারপ্রতি বোনাস (হার) | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.৩ | ০.০ | ০.০ | ০.০ | ০.০ |
| শেয়ারপ্রতি মূল্য (ডিএসই, ৩০/০৬) টাকা | ১৭৩.৩ | ২৬০.৪ | ১১৮.৪ | ১২৫.৯ | ১১৯.৮ | ২০০.০ | ২৬১.৪ | ১৮৪.৯ | ১০৯.৭ | ৭৫.২ |
| আয়-মূল্য অনুপাত (গুণক) | ২৪.৫ | ৭৯.১ | ৫৫.৮ | প্রযোজ্য নহে | প্রযোজ্য নহে | ৩০.৬ | ৩০.৫ | ২২.৮ | ১৪.৩ | ১৫.৩ |
| চলতি অনুপাত (গুণক) | ১.৩ | ১.২ | ১.৩ | ১.৩ | ১.৩ | ১.৬ | ১.৮ | ১.৯ | ১.৪ | ১.৪ |
| **সম্পদ ও দায়সমূহ** | | | | | | | | | | |
| স্থায়ী ও অন্যান্য সম্পদ | ৭৩০.৬ | ৫৫১.৯ | ৫২৫.২ | ৫২৯.৭ | ৫৩৭.১ | ৬৯৭.৭ | ৯৪৬.২ | ৫৭৪.৭ | ২৭০.৭ | ১৭০.৫ |
| মজুদ মালামাল | ৩৩৭.৪ | ৩৪৫.০ | ২৮৮.৩ | ২৪৮.৪ | ৩৩১.০ | ১৯৬.৫ | ১২৮.৬ | ১২৮.০ | ৯৩.৬ | ৬৫.৫ |
| দেনাদার, অগ্রিম ও জমা | ২১৬.৯ | ১৮৭.৬ | ২২৬.৪ | ২৫৫.০ | ২৪৭.৩ | ২৯৭.৩ | ২৪৫.০ | ২৫৮.১ | ২৮৩.০ | ২২৯.৭ |
| অগ্রিম কর ও অন্যান্য সম্পদাদি | ২৯৫.০ | ২৯৬.৫ | ২০৯.৪ | ১২৬.০ | ২২৯.২ | ১৮৫.৭ | ২০৫.৮ | ১১৫.৭ | ১৭১.৭ | ১২০.২ |
| স্বল্প মেয়াদী অর্থায়ন | -৩০৪.৯ | -৩১৮.৯ | -২৫৩.৬ | -২৫০.৪ | -৩৫৩.৯ | -১৯২.৪ | -১৪৭.৯ | -৯২.৩ | -২৪০.৩ | -১৬৮.৯ |
| বিবিধ চলতি দায় | -৩৪৭.৫ | -৩৪৮.০ | -৩২০.৯ | -২৩৪.৩ | -২৭৭.০ | -২৩৬.৫ | -১৭৬.৪ | -১৭৩.৩ | -১৫৪.৫ | -১২৮.৮ |
| নীট চলতি সম্পদাদি | ১৯৬.৯ | ১৬২.২ | ১৪৯.৭ | ১৪৪.৭ | ১৭৬.৬ | ২৫০.৬ | ২৫৫.১ | ২৩৬.১ | ১৫৩.৫ | ১১৭.৭ |
| **মোট বিনিয়োগ** | ৯২৭.৫ | ৭১৪.১ | ৬৭৪.৯ | ৬৭৪.৪ | ৭১৩.৭ | ৯৪৮.৩ | ১২০১.৩ | ৮১০.৮ | ৪২৪.২ | ২৮৮.২ |
| বিনিয়োগের উৎস | | | | | | | | | | |
| শেয়ার মূলধন | ৯৩.৭ | ৯৩.৭ | ৯৩.৭ | ৯৩.৭ | ৯৩.৭ | ৭২.১ | ৭২.১ | ৭২.১ | ৭২.১ | ৭২.১ |
| সঞ্চয় ও উদ্বৃত্ত | ৭৮৪.৪ | ৫৬৯.২ | ৫২৩.১ | ৪৯৭.১ | ৫২০.৯ | ৭৫১.৮ | ১০৪৮.৭ | ৬৬০.৮ | ৩০৭.১ | ১৬৬.৮ |
| শেয়ারহোল্ডারদের তহবিল | ৮৭৮.১ | ৬৬২.৯ | ৬১৬.৮ | ৫৯০.৮ | ৬১৪.৬ | ৮২৩.৮ | ১১২০.৭ | ৭৩২.৯ | ৩৭৯.১ | ২৩৮.৯ |
| অন্যান্য অ-চলতি দায় | ৪৯.৪ | ৫১.২ | ৫৮.১ | ৮৩.৬ | ৯৯.১ | ১২৪.৫ | ৮০.৬ | ৭৭.৯ | ৪৫.১ | ৪৯.৩ |
| **মোট তহবিল** | ৯২৭.৫ | ৭১৪.১ | ৬৭৪.৯ | ৬৭৪.৪ | ৭১৩.৭ | ৯৪৮.৩ | ১২০১.৩ | ৮১০.৮ | ৪২৪.২ | ২৮৮.২ |
| মোট উৎপাদন | | | | | | | | | | |
| বৈদ্যুতিক বাতি (মিলিয়ন সংখ্যক) | ২১.২ | ১৮.৯ | ১৮.৩ | ১৯.৯ | ২২.৯ | ২১.৪ | ২৬.৬ | ২৯.৫ | ৩৪.৭ | ৩০.২ |
| বিদ্যুৎ সাশ্রয়ী বাতি (মিলিয়ন সংখ্যক) | ৪.৪ | ৩.৭ | ২.৮ | ২.৩ | ২.১ | ১.৬ | ১.৫ | ১.৬ | ০.৮ | ০.০৫ |
| ফ্লোরসেন্ট টিউব লাইট (মিলিয়ন সংখ্যক) | ২.৮ | ১.৬ | ১.১ | ১.৭ | ১.৬ | ০.১ | ০.০ | ০.০ | ০.০ | ০.০ |
| স্টার্টার (মিলিয়ন সংখ্যক) | ১.৭ | ১.৩ | ১.৭ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ |
| লুমিনেয়ার (পূর্ণ সংখ্যায়) | ৩২৮ | ২৮ | ৬১৬ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ |
| এল.ই.ডি (মিলিয়ন সংখ্যক) | ০.৯ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ | ০.০ |
| বৎসরান্তে কর্মী সংখ্যা | ৪০১ | ৩৩৭ | ৩২৩ | ৩১৯ | ২৫৪ | ২৪৮ | ২৪৬ | ২০৬ | ১৬২ | ১৬৩ |
| বৎসরান্তে শেয়ারহোল্ডারের সংখ্যা | ২৯৭৭ | ২৫৩৭ | ৩৭৮০ | ৩৮১৭ | ৩২১৩ | ২৮৩৯ | ২৮২০ | ২৯৪০ | ৩২৬২ | ৩৪৫২ |

১। অন্য উল্লেখহীন সংখ্যাগুলো মিলিয়ন টাকায় প্রদর্শিত। *চিহ্নিত সংখ্যাগুলো চলতি বছরের সাথে সামঞ্জস্যের জন্য পুনর্বিন্যাস করা হয়েছে।

২। ২০১৫ সাল পর্যন্ত ৩১ ডিসেম্বরকে বৎসরান্ত ধরা হয়েছে।

## A TEN YEAR FINANCIAL AND BUSINESS HIGHLIGHTS

| Particulars | 2016-2017 (18 Months) | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Income and Dividends** | | | | | | | | | | |
| Sales | 1844.0 | 1262.9 | 1175.1 | 1031.6 | 953.5 | 681.6 | 622.6 | 615.3 | 538.0 | 351.2 |
| Profit / (Loss) before tax | 87.7 | 41.8 | 29.2 | -12.5 | -47.0 | 65.0 | 81.6 | 78.0 | 71.6 | 53.6 |
| Profit / (Loss) as % of sales (before tax) | 4.8 | 3.3 | 2.5 | -1.2 | -4.9 | 9.5 | 13.1 | 12.7 | 13.3 | 15.2 |
| Profit / (Loss) after tax | 66.2 | 30.9 | 19.9 | -10.8 | -49.8 | 47.1 | 61.7 | 58.5 | 55.3 | 35.4 |
| Profit / (Loss) as % of sales (after tax) | 3.6 | 2.4 | 1.7 | -1.0 | -5.2 | 6.9 | 9.9 | 9.5 | 10.3 | 10.1 |
| Earning per share Tk. | 7.1 | 3.3 | 2.1 | -1.2 | -5.3 | 6.5 | 8.6 | 8.1 | 7.7 | 4.9 |
| Book value per share Tk. | 93.7 | 70.7 | 65.8 | 63.1 | 65.6 | 114.3 | 155.5 | 101.7 | 52.6 | 33.1 |
| Dividend per share Tk. | 3.0 | 2.00 | 2.00 | 2.00 | 2.00 | 0.00 | *3.50 | *3.50 | *3.50 | *3.00 |
| Bonus per share (rate) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 |
| Price per share (DSE, 30/06) Tk. | 173.3 | 260.4 | 118.4 | 125.9 | 119.8 | 200.0 | 261.4 | 184.9 | 109.7 | 75.2 |
| Price earning ratio (times) | 24.5 | 79.1 | 55.8 | N/A | N/A | 30.6 | 30.5 | 22.8 | 14.3 | 15.3 |
| Current ratio (times) | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.6 | 1.8 | 1.9 | 1.4 | 1.4 |
| **Assets & Liabilities** | | | | | | | | | | |
| Fixed & other non-current assets | 730.6 | 551.9 | 525.2 | 529.7 | 537.1 | 697.7 | 946.2 | 574.7 | 270.7 | 170.5 |
| Stocks | 337.4 | 345.0 | 288.3 | 248.4 | 331.0 | 196.5 | 128.6 | 128.0 | 93.6 | 65.5 |
| Debtors, advances & deposits | 216.9 | 187.6 | 226.4 | 255.0 | 247.3 | 297.3 | 245.0 | 258.1 | 283.0 | 229.7 |
| AIT & other assets | 295.0 | 296.5 | 209.4 | 126.0 | 229.2 | 185.7 | 205.8 | 115.7 | 171.7 | 120.2 |
| Short term finance | -304.9 | -318.9 | -253.6 | -250.4 | -353.9 | -192.4 | -147.9 | -92.3 | -240.3 | -168.9 |
| Other current liabilities | -347.5 | -348.0 | -320.9 | -234.3 | -277.0 | -236.5 | -176.4 | -173.3 | -154.5 | -128.8 |
| Net current assets | 196.9 | 162.2 | 149.7 | 144.7 | 176.6 | 250.6 | 255.1 | 236.1 | 153.5 | 117.7 |
| **Total Investment** | 927.5 | 714.1 | 674.9 | 674.4 | 713.7 | 948.3 | 1201.3 | 810.8 | 424.2 | 288.2 |
| Represented by | | | | | | | | | | |
| Share capital | 93.7 | 93.7 | 93.7 | 93.7 | 93.7 | 72.1 | 72.1 | 72.1 | 72.1 | 72.1 |
| Reserves & surplus | 784.4 | 569.2 | 523.1 | 497.1 | 520.9 | 751.8 | 1048.7 | 660.8 | 307.1 | 166.8 |
| Shareholders Equity | 878.1 | 662.9 | 616.8 | 590.8 | 614.6 | 823.8 | 1120.7 | 732.9 | 379.1 | 238.9 |
| Other non-current liabilities | 49.4 | 51.2 | 58.1 | 83.6 | 99.1 | 124.5 | 80.6 | 77.9 | 45.1 | 49.3 |
| **Total fund** | 927.5 | 714.1 | 674.9 | 674.4 | 713.7 | 948.3 | 1201.3 | 810.8 | 424.2 | 288.2 |
| **Total production** | | | | | | | | | | |
| Electric bulbs (quantity/million) | 21.2 | 18.9 | 18.3 | 19.9 | 22.9 | 21.4 | 26.6 | 29.5 | 34.7 | 30.2 |
| Energy saving lamps (quantity/million) | 4.4 | 3.7 | 2.8 | 2.3 | 2.1 | 1.6 | 1.5 | 1.6 | 0.8 | 0.05 |
| Fluorescent tube lights (quantity/million) | 2.8 | 1.6 | 1.1 | 1.7 | 1.6 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 |
| Starter (quantity/million) | 1.7 | 1.3 | 1.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Luminaire (quantity) | 328 | 28 | 616 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| LED (quantity/million) | 0.9 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Number of employees at year end | 401 | 337 | 323 | 319 | 254 | 248 | 246 | 206 | 162 | 163 |
| Number of shareholders at year end | 2977 | 2537 | 3780 | 3817 | 3213 | 2839 | 2820 | 2940 | 3262 | 3452 |

1. All amounts in millions of Taka unless otherwise indicated. * These figures have been re-arranged to conform to current year's presentation.
2. Up to 2015, the year-end date was 31 December.

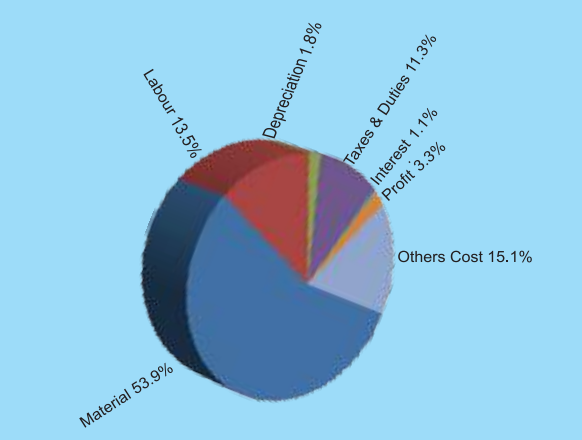


৫৫তম বার্ষিক সাধারণ সভার অধিবেশন

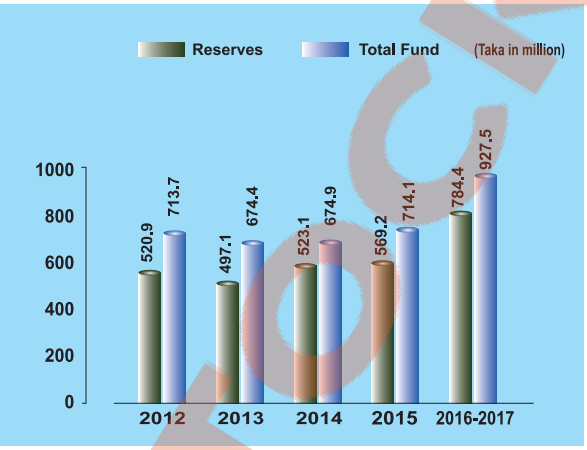
The 55th AGM at session



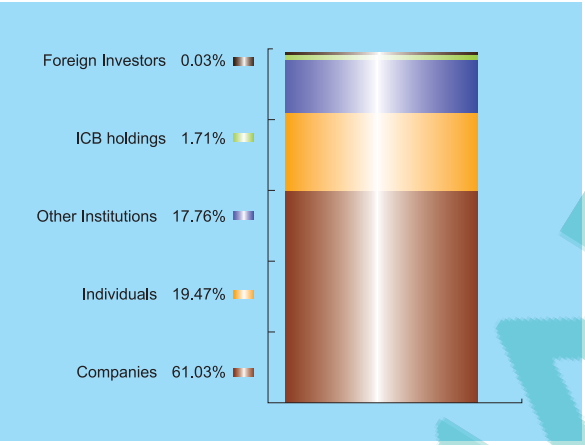
## Turnover analysis




## Capital employed vs. reserves & surplus

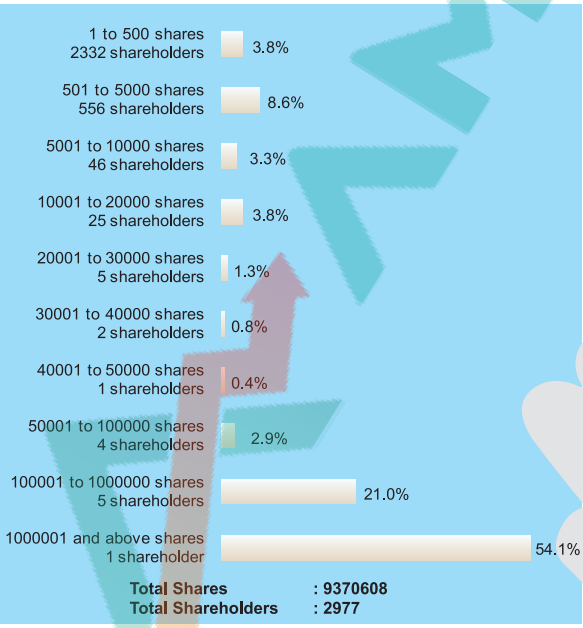



## Illustrated density of shareholding




## Classification of shareholding

| Categories | Number of shareholders | Number of shares held | Percentage to total shares |
|---|---|---|---|
| Foreign Investors | 4 | 2665 | 0.03 |
| ICB holdings | 12 | 160209 | 1.71 |
| Other Institutions | 57 | 1665161 | 17.76 |
| Individuals | 2902 | 1824237 | 19.47 |
| Companies | 2 | 5718336 | 61.03 |
| **Total** | **2977** | **9370608** | **100.00** |




| Range | | | Number of shareholders | Number of shares held | Percentage to total shares |
|---|---|---|---|---|---|
| 1 | to | 500 shares | 2332 | 353614 | 3.8 |
| 501 | to | 5000 shares | 556 | 804940 | 8.6 |
| 5001 | to | 10000 shares | 46 | 310065 | 3.3 |
| 10001 | to | 20000 shares | 25 | 354075 | 3.8 |
| 20001 | to | 30000 shares | 5 | 122626 | 1.3 |
| 30001 | to | 40000 shares | 2 | 70469 | 0.8 |
| 40001 | to | 50000 shares | 1 | 41483 | 0.4 |
| 50001 | to | 100000 shares | 4 | 272530 | 2.9 |
| 100001 | to | 1000000 shares | 5 | 1972470 | 21.0 |
| 1000001 | | and above shares | 1 | 5068336 | 54.1 |
| **Total** | | | **2977** | **9370608** | **100** |

AMARSTOCK

# Directors' Profile

AMAR STOCK



**Mrs. Shahnaz Rahman**
**Chairman**

Mrs. Shahnaz Rahman joined the Board of Directors of Bangladesh Lamps Limited in October 1993, soon after taking over the ownership of the Company by Transcom Limited. She has been appointed as Chairman of the Company on April 04, 2013.

Mrs. Rahman is also a Board Member of various companies under Transcom Group. Besides, she is a Director of Reliance Insurance Limited.

Group companies include, Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Consumer Products Limited (first ever **PepsiCo Foods Franchisee** in the world - salty snacks, Quaker Oats), Transcom Distribution Co. Ltd. (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra**), Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Bangladesh Lamps Limited (manufacturers of lighting products), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Transcom Foods Limited (sole franchisee of **Pizza Hut** & **KFC**), Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS and TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited (**FM Radio Station**) and Tea Holdings Limited.

Transcom Limited is a stakeholder in Mediaworld Limited (Publishers of the country's leading English language newspaper - **THE DAILY STAR**), General Insurance (**Reliance Insurance Limited**), housing finance (**National Housing Finance and Investments Limited**), **IDLC Finance Limited** and **Pubali Bank Limited.**



**Mr. Latifur Rahman**
**Managing Director**

Mr. Latifur Rahman joined the Board of Directors of Bangladesh Lamps Limited in August 1993, soon after taking over the ownership of the Company by Transcom Limited. Mr. Latifur Rahman was elected Chairman of Bangladesh Lamps Limited in August 1997. He resigned as Chairman of the Company on April 04, 2013. At present, he continues in his position as Managing Director of Bangladesh Lamps Limited.

Mr. Latifur Rahman is also the Chairman of various companies under Transcom Group. Besides, he is the Chairman of National Housing Finance and Investments Limited.

Group companies include, Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Consumer Products Limited (first ever **PepsiCo Foods Franchisee** in the world - salty snacks, Quaker Oats), Transcom Distribution Co. Ltd. (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra**), Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Bangladesh Lamps Limited (manufacturers of lighting products), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Transcom Foods Limited (sole franchisee of **Pizza Hut & KFC**), Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS and TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited **(FM Radio Station)** and Tea Holdings Limited.

Transcom Limited is a stakeholder in Mediaworld Limited (Publishers of the country's leading English language newspaper **- THE DAILY STAR),** General Insurance **(Reliance Insurance Limited),** housing finance **(National Housing Finance and Investments Limited), IDLC Finance Limited** and **Pubali Bank Limited.**

Mr. Rahman is currently the Vice President of International Chamber of Commerce – Bangladesh. He is also a member of the Governing Body of BRAC, world's largest NGO. Mr. Rahman has been re-elected as a Member of the Executive Board of International Chamber of Commerce, Paris for a second 3-year term w.e.f 1st July 2017.

He is a former President of Metropolitan Chamber of Commerce & Industry, Dhaka and held the position for seven terms. He is also a former President of Bangladesh Employers' Federation (two terms) and Member, Executive Committee, Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), Bangladesh Jute Mills Association and Bangladesh Tea Association.

Mr. Latifur Rahman had been closely involved with the fiscal and trade policy making bodies of the Government as Chairman, Tradebody Reforms Committee, Member – Bangladesh Better Business Forum, Advisory Committee on WTO, National Committee on Export Promotion and Consultative Committee on Jute. He was Member of the Executive Board of Bangladesh Bank (Central Bank).

Mr. Rahman is an Honouree of **"Oslo Business for Peace Award 2012"** for socially responsible and ethical business practices. He was also awarded Business **Executive of the Year 2001** by the American Chamber of Commerce in Bangladesh.



**Mr. Saifur Rahman**
**Director**

Mr. Saifur Rahman joined the Board of Directors of Bangladesh Lamps Limited in March 1993, soon after taking over the ownership of the Company by Transcom Limited.

Mr. Saifur Rahman is also the Director of Transcom Limited, Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS and TRANSTEC** household appliances), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Foods Limited (sole franchisee of **Pizza Hut** & **KFC**), Transcom Distribution Co. Limited (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra**), Mediastar Limited (Publishers of PROTHOM ALO, country's largest circulated Bengali Newspaper), Transcraft Limited **(modern printing press),** Ayna Broadcasting Corporation Limited **(FM Radio Station),** M. Rahman Tea Company Limited **(Saif Tea Estate),** W. Rahman Jute Mills Limited, Quantum Pharmaceuticals Limited, Transfin Trading Limited, Trinco Limited, Transcom Mobile Limited, Transcom Cables Limited and Transcom Consumer Products Limited.

He is the Managing Director of Monipur Tea Company Limited, Marina Tea Company Limited, Heritage Agro Farms Limited and Nimbus Limited.

Mr. Saifur Rahman is a founder trustee of Education, Science, Technology, and Cultural Development Trust (ESTCDT), Trustee of the parent Trust of Independent University, Bangladesh (IUB), Dhaka and Chittagong Independent University. He is also a founder Director of United Hospital Limited.



**Mr. Atiqur Rahman**
**Director**

Mr. Atiqur Rahman joined the Board of Directors of Bangladesh Lamps Limited in March 1993, soon after taking over the ownership of the Company by Transcom Limited.

Mr. Atiqur Rahman is the Chairman of Heritage Agro Farms Limited and a Board Member of various companies under Transcom Group. Besides, he is a Director of IDLC Finance Limited.

Group companies include, Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Consumer Products Limited (first ever **PepsiCo Foods Franchisee** in the world - salty snacks, Quaker Oats), Transcom Distribution Co. Ltd. (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra),** Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Bangladesh Lamps Limited (manufacturers of lighting products), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Transcom Foods Limited (sole franchisee of **Pizza Hut & KFC**), Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS** and **TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO,** country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited (**FM Radio Station**) and Tea Holdings Limited.

Transcom Limited is a stakeholder in Mediaworld Limited (Publishers of the country's leading English language newspaper - **THE DAILY STAR**), General Insurance (**Reliance Insurance Limited**), housing finance (**National Housing Finance and Investments Limited**), **IDLC Finance Limited** and **Pubali Bank Limited**.



**Ms. Simeen Hossain**
**Director**

Ms. Simeen Hossain is a Director of Bangladesh Lamps Limited.

Ms. Simeen Hossain is the Managing Director & CEO of Eskayef Pharmaceuticals Limited, Transcom Consumer Products Limited and Transcom Distribution Co. Limited and a Board Member of various companies under Transcom Group.

Group companies include, Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Consumer Products Limited (first ever **PepsiCo Foods Franchisee** in the world - salty snacks, Quaker Oats), Transcom Distribution Co. Ltd. (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra),** Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Bangladesh Lamps Limited (manufacturers of lighting products), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Transcom Foods Limited (sole franchisee of **Pizza Hut & KFC),** Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS and TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited **(FM Radio Station)** and Tea Holdings Limited.

Transcom Limited is a stakeholder in Mediaworld Limited (Publishers of the country's leading English language newspaper - **THE DAILY STAR),** General Insurance **(Reliance Insurance Limited)**, housing finance **(National Housing Finance and Investments Limited), IDLC Finance Limited** and **Pubali Bank Limited.**

Ms. Simeen Hossain is also a Member of the Executive Committee of Metropolitan Chamber of Commerce & Industry, Dhaka.



**Mr. Arshad Waliur Rahman**
**Director**

Mr. Arshad Waliur Rahman is a Director of Bangladesh Lamps Limited.

Mr. Arshad Waliur Rahman is also a Board Member of various companies under Transcom Group. Besides, he is a Director of Reliance Insurance Limited.

Group companies include, Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Consumer Products Limited (first ever **PepsiCo Foods Franchisee** in the world - salty snacks, Quaker Oats), Transcom Distribution Co. Ltd. (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra),** Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Bangladesh Lamps Limited (manufacturers of lighting products), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Transcom Foods Limited (sole franchisee of Pizza Hut & KFC), Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS** and **TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited **(FM Radio Station)** and Tea Holdings Limited.

Transcom Limited is a stakeholder in Mediaworld Limited (Publishers of the country's leading English language newspaper - **THE DAILY STAR)**, General Insurance **(Reliance Insurance Limited)**, housing finance **(National Housing Finance and Investments Limited), IDLC Finance Limited** and **Pubali Bank Limited.**



**Ms. Shahzreh Huq**
**Director**

Ms. Shahzreh Huq is a Director of Bangladesh Lamps Limited. She is also a Board Member of various companies under Transcom Group.

Group companies include, Eskayef Pharmaceuticals Limited (leading pharmaceutical manufacturers – formerly SmithKline & French), Transcom Consumer Products Limited (first ever **PepsiCo Foods Franchisee** in the world - salty snacks, Quaker Oats), Transcom Distribution Co. Ltd. (distribution of pharmaceuticals – **SK+F, NOVO NORDISK, SERVIER, ALLERGAN** and consumer brands – **Frito Lay, Heinz, Mars, Energizer, Schick, L'Oreál, Garnier, Abbott Nutrition** and **ConAgra),** Transcom Beverages Limited (sole franchisee of **PepsiCo, USA** – Pepsi, 7-Up, Mirinda, Mountain Dew, Evervess, Slice, Aquafina), Bangladesh Lamps Limited (manufacturers of lighting products), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC** TVs), Transcom Foods Limited (sole franchisee of **Pizza Hut & KFC),** Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS and TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited **(FM Radio Station)** and Tea Holdings Limited.

Transcom Limited is a stakeholder in Mediaworld Limited (Publishers of the country's leading English language newspaper - **THE DAILY STAR),** General Insurance **(Reliance Insurance Limited)**, housing finance **(National Housing Finance and Investments Limited), IDLC Finance Limited** and **Pubali Bank Limited.**



**Mr. Shamsur Rahman**
**Director**

Mr. Shamsur Rahman joined the Board of Directors of Bangladesh Lamps Limited in September 1993, soon after taking over the ownership of the Company by Transcom Limited.

Mr. Shamsur Rahman is also the Director of Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS** and **TRANSTEC** household appliances), Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper), Ayna Broadcasting Corporation Limited **(FM Radio Station)**, M. Rahman Tea Company Limited **(Saif Tea Estate)**, Marina Tea Company Limited, Monipur Tea Company Limited, Reliance Insurance Limited and Mediaworld Limited (Publishers of the country's leading English language newspaper - **THE DAILY STAR).**



**Mr. Obaidur Rahman Khan**
**Director**

Mr. Obaidur Rahman Khan is a Director of Bangladesh Lamps Limited.

He is also the Director of Transcom Electronics Limited (distribution of **SAMSUNG, WHIRLPOOL, DAIKIN, HITACHI, PANASONIC, PHILIPS** and **TRANSTEC** household appliances), Bangladesh Electrical Industries Limited (manufacturers of **SAMSUNG** and **TRANSTEC TVs**), Transcraft Limited **(modern printing press)**, Mediastar Limited (Publishers of **PROTHOM ALO**, country's largest circulated Bengali Newspaper) and Transfin Trading Limited.



**Mr. Ahmed Shafi Choudhury**
**Independent Director**

Mr. Ahmad Shafi Choudhury was appointed to the Board of Directors of Bangladesh Lamps Limited as Independent Director. He is also the Chairman of Audit Committee of the Company. A diversified and successful business personality, Mr. Choudhury was actively associated with Tea industry and was a member of Bangladesh Tea Board for 3 years, Central Committee of Bangladesh Tea Association for 20 years and is still associated with a number of companies for more than thirty (30) years in the areas of banking, manufacturing etc. He is a Director of Eskayef Pharmaceuticals Limited. He is also a Director and Audit Committee member of Pubali Bank Limited. Mr. Choudhury was a Director of United Insurance Company Ltd. and Director & Audit Committee Chairman of Reliance Insurance Limited for quite a long period of time. Mr. Choudhury graduated from Dhaka University.



**Mrs. Rokia Afzal Rahman**
**Independent Director**

Mrs. Rokia Afzal Rahman was appointed to the Board of Directors of Bangladesh Lamps Limited on December 24, 2012 as an Independent Director. She is a leading woman entrepreneur and a former Adviser (Minister) to the Caretaker Government of Bangladesh. She started her agro-based company and further diversified her business into insurance, media, financial institution and real estate.

Mrs. Rahman is the Chairman of R. R. Group & Arlinks Group of Companies. She is the Chairperson of Mediaworld Limited (owning company of **"The Daily Star"**, the largest circulated daily English newspaper in Bangladesh) and MIDAS Financing Limited. She is a Director of Mediastar Limited (owning company of **"Prothom Alo"**, the largest circulated daily bangla newspaper in Bangladesh) and Ayna Broadcasting Corporation Limited **(FM Radio Station)**. She is also member of the Board of Directors of Marico Limited and Grameenphone Limited.

Mrs. Rokia Afzal Rahman is the Vice President of International Chamber of Commerce - ICC Bangladesh and a Trustee Board member of Transparency International Bangladesh – TIB.

She served as Board Member of the Central Bank of Bangladesh and is also former President of the Metropolitan Chamber of Commerce & Industries – MCCI, Dhaka.

Mrs. Rokia Afzal Rahman serves on the board of BRAC. She is Chairperson of Banchte Shekha, Jessore - working for the underprivileged and extremely poor. She is a board member of MRDI (Management and Resource Development Initiative).

She is the founder President of Bangladesh Federation of Women Entrepreneurs (BFWE). In 1994, the first Women Entrepreneurs Association (WEA) was formed in Bangladesh with Rokia Afzal Rahman as founder President. In 1996 Mrs. Rahman formed Women in Small Enterprises (WISE) to further promote women into small enterprises and industries.

Mrs. Rahman is the chairman of Presidency University.

Mrs. Rahman has received several international and national awards.



**Mr. Anis-uz-Zaman Khan**
**Independent Director**

Mr. Anis-uz-Zaman Khan was appointed to the Board of Directors of Bangladesh Lamps Limited on September 29, 2014 as an Independent Director. Before taking voluntary retirement from the Government of the Peoples' Republic of Bangladesh, he served as Secretary in the Ministry of Information and Rural Development & Co-operative. He was also a Director of GEC (BD) Ltd. and Managing Director of Social Marketing Company Ltd. He was also the Ombudsperson of BRAC for a tenure. He is a Director and Chairman of the Audit Committee of Reliance Insurance Limited. He has visited many countries including USA in 1977 on invitation from the US Government under the Leader Exchange Program. Mr. Khan completed his Master of Arts degree from University of Dhaka and obtained his Post Graduate Diploma in Development Administration from University of Leeds, United Kingdom.

# Directors' Report



AMARSTOCK

## পরিচালকমন্ডলীর প্রতিবেদন

### প্রিয় শেয়ারহোল্ডারবৃন্দ,

আস্‌সালামু আলাইকুম। পরিচালকমন্ডলী ও আমার পক্ষ থেকে আমি বাংলাদেশ ল্যাম্পস লিমিটেডের ৫৬তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাচ্ছি এবং একই সাথে ৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদের বার্ষিক ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সামনে উপস্থাপন করছি।

### ব্যবসায়িক অবস্থা

৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদে কোম্পানীর সন্তোষজনক উন্নতি সাধিত হয়েছে এবং ভাল মুনাফা অর্জিত হয়েছে। উক্ত সময়কালের ব্যবসায়িক কার্যক্রমের সংক্ষিপ্তরূপ নীচে উপস্থাপন করা হলো:

*(মিলিয়ন টাকায়)*

| | জানুয়ারী-জুন ২০১৬ (৬ মাস) | | জুলাই ২০১৬-জুন ২০১৭ (১২ মাস) | | জানুয়ারী ২০১৬-জুন ২০১৭ (১৮ মাস) | | জানুয়ারী-ডিসেম্বর ২০১৫ (১২ মাস) | |
|---|---|---|---|---|---|---|---|---|
| | টাকা | বিক্রয় উপর শতকরা হার | টাকা | বিক্রয় উপর শতকরা হার | টাকা | বিক্রয় উপর শতকরা হার | টাকা | বিক্রয় উপর শতকরা হার |
| বিক্রয় | ৬২৪.০৩ | ১০০% | ১,২১৯.৯৩ | ১০০% | ১,৮৪৩.৯৭ | ১০০% | ১,২৬২.৮৬ | ১০০% |
| করবাদ মুনাফা | ২৬.৮৭ | ৪.৩১% | ৩৯.৩৫ | ৩.২৩% | ৬৬.২২ | ৩.৫৯% | ৩০.৮৬ | ২.৪৪% |

উক্ত সময়ে আমরা ব্যবসায়িক উন্নতি সাধনের লক্ষ্যে নানাবিধ পদক্ষেপ গ্রহণ করেছি। তন্মধ্যে বিক্রয়, সাপ্লাই চেইন এবং মানব সম্পদ উন্নয়নে আমরা ক্রমাগতভাবে কাজ করে যাচ্ছি। আমাদের পণ্য আপামর জনসাধারণের নাগালের মধ্যে আনার জন্য এবং বাজারে নিজেদের অবস্থান সুসংহত করার জন্য বিক্রয় বৃদ্ধি করার প্রচেষ্টা অব্যাহত রেখেছি। এই ধরণের কার্যক্রম অব্যাহত থাকবে এবং কোম্পানীর টেকসই উন্নয়ন ও সমৃদ্ধি সাধনের লক্ষ্যে এই ধরণের কার্যক্রম আরও জোরদার করা হবে। লাইটিং ইন্ডাস্ট্রিতে ক্রমবিবর্তনের ধারায় এলইডি বাতি দিন দিন জনপ্রিয় হচ্ছে। এ নতুন ধারার সঙ্গে সংহতি রেখে আমরাও আমাদের উৎপাদিত পন্যসম্ভার আরো সমৃদ্ধ করার প্রচেষ্টা অব্যাহত রেখেছি।

### লভ্যাংশ

কোম্পানীর ব্যবসায়িক অবস্থা বিবেচনা করে পরিচালনা পরিষদ ৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদের জন্য প্রতিটি ১০ টাকা মূল্যমানের শেয়ারের বিপরীতে ৩.০০ টাকা হারে (অর্থাৎ ৩০%) নগদ লভ্যাংশের সুপারিশ করেছেন।

## Directors' Report

### Dear Shareholders,

Assalamu Alaikum. On behalf of the Board of Directors and myself, I am pleased to welcome you to the 56th Annual General Meeting of Bangladesh Lamps Limited and present before you the Annual Report and Audited Financial Statements of the Company for the 18 months period ended on 30 June 2017.

### Business

During the 18 months period ended on 30 June 2017 our Company has performed well and achieved a higher profitability. The overall state of business of the company for the 18 months period ended on 30 June 2017 is summarized below:

*(Taka in Million)*

| | Jan -June 2016 (06 Months) | | July 2016 - June 2017 (12 Months) | | Jan 2016 - June 2017 (18 Months) | | Jan - Dec 2015 (12 months) | |
|---|---|---|---|---|---|---|---|---|
| | Taka | % of Sales | Taka | % of Sales | Taka | % of Sales | Taka | % of Sales |
| Sales | 624.03 | 100% | 1,219.93 | 100% | 1,843.97 | 100% | 1,262.86 | 100% |
| Net Profit after Tax | 26.87 | 4.31% | 39.35 | 3.23% | 66.22 | 3.59% | 30.86 | 2.44% |

During the period we undertook various measures to improve our business; particularly, we are continuing our efforts to bring about more efficiency in the areas of sales, supply chain and human resource management of the Company. We are also working to expand the distribution reach of our products to the remotest parts of the country and to gain market share. Such activities are ongoing and will be further strengthened for a sustainable growth and profitability of the Company. In order to keep up with new developments in the lighting industry, we are also broadening our product portfolio particularly in the LED (Light-emitting Diode) segment business.

### Dividend

Keeping in view of the performance of the Company, the Board of Directors is pleased to recommend cash dividend of Taka 3.00 per share of Taka 10.00 each (i.e. 30%) for the 18 months period ended on 30 June 2017.

**মুনাফার সামগ্রিক বন্টনমালা নিম্নরূপ:**

| | (টাকা) |
|---|---|
| ৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদের মুনাফা | ৬৬,২১৯,৫২১ |
| **মোট বন্টনযোগ্য মুনাফা** | **৬৬,২১৯,৫২১** |
| **প্রস্তাবিত প্রবন্টন :** | |
| প্রতিটি ১০ টাকা মূল্যমানের ৯,৩৭০,৬০৮টি সাধারণ শেয়ারের উপর প্রতিটিতে ৩.০০ টাকা হারে লভ্যাংশ | ২৮,১১১,৮২৪ |
| সাধারণ সঞ্চয়ে স্থানান্তর | ৩৮,১০৭,৬৯৭ |
| **মোট প্রবন্টন** | **৬৬,২১৯,৫২১** |

**The appropriation of profit is shown below:**

| | (Taka) |
|---|---|
| Profit for the 18 months period ended on 30 June 2017 | 66,219,521 |
| **Total Divisible profit** | 66,219,521 |
| **Proposed appropriations:** | |
| Proposed appropriations | |
| Proposed dividend @ Taka 3.00 per share on 9,370,608 ordinary shares of Taka.10.00 each | 28,111,824 |
| Transfer to General Reserve | 38,107,697 |
| Total appropriation | 66,219,521 |

**শেয়ারহোল্ডার ও শেয়ার মূল্য**

৩০শে জুন ২০১৭ তারিখে কোম্পানীর মোট শেয়ারহোল্ডারের সংখ্যা ছিল ২,৯৭৭ জন, পূর্ববর্তী বছরের ঐ তারিখে যা ছিল ২,৬৪১ জন। ঐ তারিখে কোম্পানীর শেয়ারের সূচক ঢাকা স্টক এক্সচেঞ্জে শেয়ারপ্রতি ১৭৩.৩০ টাকা এবং চট্টগ্রাম স্টক এক্সচেঞ্জে শেয়ারপ্রতি ১৭৪.০০ টাকা ছিল।

**Shareholders & share value**

Total number of shareholders of the Company at 30th June 2017 was 2,977 as against 2,641 in the previous year. The price index of shares on that date stood at Taka 173.30 per share at the Dhaka Stock Exchange and Taka 174.00 per share at the Chittagong Stock Exchange.




৫৫তম বার্ষিক সাধারণ সভায় পরিচালকমন্ডলী, প্রধান পরিচালন কর্মকর্তা, প্রধান অর্থবিষয়ক কর্মকর্তা ও কোম্পানী সচিব
The Directors, Chief Operating Officer, Chief Financial Officer and Company Secretary at the 55th AGM

## পরিচালনা পরিষদ সম্পর্কিত বিষয়াবলী

তিনজন নিরপেক্ষ পরিচালকসহ মোট ১২ (বার) জন সদস্য নিয়ে বাংলাদেশ ল্যাম্পস লিমিটেডের বর্তমান পরিচালনা পরিষদ গঠিত। কোম্পানীর চেয়ারম্যান হলেন বেগম শাহনাজ রহমান। ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী কর্মকর্তা হলেন জনাব লতিফুর রহমান। কোম্পানীর দক্ষ ব্যবস্থাপকগণ পরিপূর্ণভাবে এবং যথাসময়ে সঠিক ব্যবসায়িক তথ্য-উপাত্ত প্রদানের মাধ্যমে পরিষদকে কার্যকর করতে ও পরিচালকবৃন্দকে দায়িত্ব পালনে যথাযথ সহায়তা প্রদান করেন। আলোচ্য সময়ে পরিচালকবৃন্দ ৭ (সাত) বার সভায় মিলিত হন। পরিচালকবৃন্দের উপস্থিতি ছিল নিম্নরূপ:

| পরিচালকবৃন্দের নাম | মোট সভা | সভায় উপস্থিতি |
|---|---|---|
| বেগম শাহনাজ রহমান | ৭ | ৭ |
| জনাব লতিফুর রহমান | ৭ | ৭ |
| জনাব সাইফুর রহমান | ৭ | ৭ |
| জনাব আতিকুর রহমান | ৭ | ৭ |
| জনাব শামসুর রহমান | ৭ | ৭ |
| জনাব ওবায়দুর রহমান খান | ৭ | ৭ |
| জনাব আরশাদ ওয়ালিউর রহমান | ৭ | ৬ |
| মিসেস সিমিন হোসেন | ৭ | ৬ |
| মিসেস শাজরে হক | ৭ | ৬ |
| জনাব আহমদ শফি চৌধুরী (নিরপেক্ষ পরিচালক) | ৭ | ৭ |
| মিসেস রোকিয়া আফজাল রহমান (নিরপেক্ষ পরিচালক) | ৭ | ৫ |
| জনাব আনিস-উজ-জামান খান (নিরপেক্ষ পরিচালক) | ৭ | ৭ |

## নিরীক্ষা কমিটি

চার জন পরিচালক নিয়ে নিরীক্ষা কমিটি গঠিত। নিরপেক্ষ পরিচালক জনাব আহমদ শফি চৌধুরী হলেন উক্ত কমিটির প্রধান। কমিটির উদ্দেশ্য হচ্ছে কোম্পানীর আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুনির্দিষ্ট ও সুচারুরূপে পরিচালনা নিশ্চিত করা এবং পরিচালনা পরিষদকে তথ্য প্রদান করে সহযোগীতা করা। তাছাড়াও মধ্যবর্তী ও বাৎসরিক আর্থিক বিবরণী পর্যালোচনান্তে কমিটি তা পরিচালনা পরিষদে উপস্থাপন করেছেন।

## কোম্পানীর কর্পোরেট প্রতিবেদন

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের দিক নির্দেশনা অনুযায়ী, পরিচালক মন্ডলী আনন্দের সাথে নিম্নলিখিত তথ্যাবলী প্রদান করছেন:

- বৈদ্যুতিক শিল্পক্ষেত্রে যেমন সিএফএল, এলইডি, এফটিএল এবং এর সহায়ক পণ্য যেমন স্টার্টার, ব্যালাষ্ট, লাইটিং শেড ইত্যাদি উৎপাদন ৩০শে জুন ২০১৭ সালে সমাপ্ত ১৮ মাস মেয়াদে পরিমিতভাবে বেড়েছে। দীর্ঘস্থায়ী ও বিদ্যুৎ সাশ্রয়ী হওয়াতে সিএফএল এবং এলইডি এর মত বিদ্যুৎ সাশ্রয়ী বাতির ব্যবহার উল্লেখযোগ্য হারে বেড়েছে।

## Board Matters

The Board of Directors of Bangladesh Lamps Limited comprises of 12 (twelve) members including 03 (three) Independent Directors. Mrs. Shahnaz Rahman is the Chairman of the Company. Mr. Latifur Rahman is the Managing Director and Chief Executive Officer (CEO) of the Company. To enable the Board to function effectively and allow Directors to discharge their responsibilities efficiently, full and timely information is made available to them by the professional managers of each of the business segments. The Board of Directors met 07 (seven) times during the period under review. The attendance record of the Directors is as follows:

| Name of Directors | Total Meetings | Attended |
|---|---|---|
| Mrs. Shahnaz Rahman | 7 | 7 |
| Mr. Latifur Rahman | 7 | 7 |
| Mr. Saifur Rahman | 7 | 7 |
| Mr. Atiqur Rahman | 7 | 7 |
| Mr. Shamsur Rahman | 7 | 7 |
| Mr. Obaidur Rahman Khan | 7 | 7 |
| Mr. Arshad Waliur Rahman | 7 | 6 |
| Mrs. Simeen Hossain | 7 | 6 |
| Mrs. Shahzreh Huq | 7 | 6 |
| Mr. Ahmed Shafi Choudhury (Independent Director) | 7 | 7 |
| Mrs. Rokia Afzal Rahman (Independent Director) | 7 | 5 |
| Mr. Anis-uz-Zaman Khan (Independent Director) | 7 | 7 |

## Audit Committee

The Audit Committee comprises of 04 (four) Directors. The Committee is headed by the Independent Director, Mr. Ahmed Shafi Choudhury. The objective of the Audit Committee is to ensure an adequate and effective internal control to facilitate the smooth functioning of the Company's operations and assist the Board in discharging its responsibilities. The Audit committee also reviews the interim and annual financial statements before submission to the Board.

## Corporate Reporting

The Board of Directors is pleased to inform the following as required by the Bangladesh Securities and Exchange Commission:

- The growth in the lighting industry which encompasses the CFL (Compact Fluorescent Light), LED bulbs, FTL (Fluorescent Tube Light) and its accessories like Starter, Ballast, Industrial Shades etc. was moderate during the 18 months period ended on 30 June 2017. The CFL and LED segments, however, have grown satisfactorily because of the energy saving benefit and longer life.

- **সেগমেন্ট ভিত্তিক অথবা পণ্যভিত্তিক কর্মক্ষমতা:**

  ১৮ মাস মেয়াদে (জানু'১৬-জুন'১৭) কোম্পানীর সেগমেন্ট ভিত্তিক পণ্যের বিক্রয়ের বিবরণ নিম্নে বর্ননা করা হল:

*(মিলিয়ন টাকায়)*

| বিবরণ | জিএলএস | সিএফএল | এফটিএল | এলইডি | স্টার্টার | ব্যালেস্ট | অন্যান্য | মোট |
|---|---|---|---|---|---|---|---|---|
| মোট বিক্রয় | ৩৯১.৫৯ | ১,০০২.৩০ | ১৭১.১১ | ২৫৪.৯০ | ১২.৮৬ | ১০.৮০ | ০.৪১ | ১,৮৪৩.৯৭ |

- কোম্পানী চলমান ব্যবসা সংক্রান্ত নানাবিদ ঝুঁকি সম্পর্কে অবগত আছে এবং যথাযথ পদক্ষেপ গ্রহনের মাধ্যমে সেগুলো মোকাবেলায় প্রস্তুত রয়েছে। আর্থিক ও অন্যান্য ঝুঁকি সম্পর্কিত তথ্যাবলী আর্থিক বিবরণীর টিকা অংশের ৩৪ এবং ৩৯ নম্বরে উল্লেখ আছে।

- ৩০শে জুন ২০১৭ সালে ১৮ মাস মেয়াদে কোম্পানীর নীট বিক্রয় ছিল ১,৮৪৩.৯৭ মিলিয়ন টাকা এবং করবাদ মুনাফা ছিল ৬৬.২২ মিলিয়ন টাকা। নিম্নে সংক্ষিপ্ত আর্থিক প্রতিবেদন উল্লেখ করা হলো:

| বিবরণ | মিলিয়ন টাকায় ৩০শে জুন ২০১৭ (১৮ মাস) | ৩১শে ডিসেম্বর ২০১৫ (১২ মাস) |
|---|---|---|
| নীট বিক্রয় | ১,৮৪৩.৯৭ | ১,২৬২.৮৬ |
| বিক্রয়কৃত পণ্যের ব্যয় | (১,৪০১.৫৩) | (৯৬৩.৫৬) |
| **মোট মুনাফা** | **৪৪২.৪৪** | **২৯৯.৩০** |
| অন্যান্য আয় | ৬৩.৫৪ | ২৩.০৮ |
| পরিচালন ব্যয় | (৩৯০.৮৪) | (২৭১.৯৯) |
| **আর্থিক ব্যয়পূর্ব মুনাফা** | **১১৫.১৩** | **৫০.৩৮** |
| *নীট আর্থিক ব্যয়* | (২৩.০১) | (৬.৪৬) |
| **ডব্লিওপিপিএফ-এ প্রদানের পূর্বে মুনাফা/ (লোকসান)** | **৯২.১৩** | **৪৩.৯২** |
| ডব্লিওপিপিএফ-এ প্রদান | (৪.৩৯) | (২.০৯) |
| **করপূর্ব মুনাফা/(লোকসান)** | **৮৭.৭৪** | **৪১.৮৩** |
| কর বাবদ ব্যয় | (২১.৫২) | (১০.৯৭) |
| **করবাদ মুনাফা** | **৬৬.২২** | **৩০.৮৬** |

- আর্থিক বিবরণীতে কোন অস্বাভাবিক লাভ বা লোকসান প্রদর্শিত হয়নি।

- কোম্পানীর সাথে সংশ্লিষ্ট সকল পক্ষের সাথে বাণিজ্যিক ভিত্তিতে লেনদেন সংগঠিত হয়েছে। আর্থিক বিবরণীর টিকা নং ৩৫-এ উক্ত বিষয়ে বিস্তারিত বর্ণনা করা হয়েছে।

- ত্রৈমাসিক ও বার্ষিক বিবরণীর মধ্যে কোন উল্লেখযোগ্য তারতম্য সাধিত হয়নি।

- কোম্পানীর সংঘবিধি অনুযায়ী নিরপেক্ষ পরিচালকসহ পরিচালকমন্ডলী কেবলমাত্র বোর্ড সভায় উপস্থিতির জন্য সম্মানী পেয়ে থাকেন। ৩০শে জুন ২০১৭ সমাপ্ত ১৮ মাস মেয়াদে ব্যবস্থাপনা পরিচালকে সম্মানী বাবদ ৪,৫০,০০০ টাকা দেয়া হয়েছে।

- **Segment-wise or product-wise performance :**

  The segment wise sales performance of the Company during the 18 months period (Jan'16-Jun'17) is shown below:

*(Taka in Million)*

| Particulars | GLS | CFL | FTL | LED | Starter | Ballast | Others | Total |
|---|---|---|---|---|---|---|---|---|
| Net Sales | 391.59 | 1,002.30 | 171.11 | 254.90 | 12.86 | 10.80 | 0.41 | 1,843.97 |

- The Company is aware of the different risks associated with doing business and is prepared to manage those risks through a professional approach. The financial and other risks have been disclosed in the note 34 and 39 of the financial statements.

- During the 18 months period ended on 30 June 2017, the net sales of the Company was Taka 1,843.97 million and the net profit after tax was Taka 66.22 million. The financials are shown in the following table:

| Particulars | Taka in Million For the 18 months period ended 30 June 2017 | For the year ended 31 December 2015 |
|---|---|---|
| Net Sales / Revenue | 1,843.97 | 1,262.86 |
| Cost of goods sold | (1,401.53) | (963.56) |
| **Gross profit** | **442.44** | **299.30** |
| Other income | 63.54 | 23.08 |
| Operating expenses | (390.84) | (271.99) |
| **Profit before finance cost** | **115.13** | **50.38** |
| *Net finance expense* | (23.01) | (6.46) |
| **Profit/(loss) before contribution to WPPF** | **92.13** | **43.92** |
| Contribution to WPPF | (4.39) | (2.09) |
| **Profit/(loss) before income tax** | **87.74** | **41.83** |
| Income tax expenses | (21.52) | (10.97) |
| **Profit/(loss) after tax** | **66.22** | **30.86** |

- No extra-ordinary gain or loss has been recognized in the financial statement.

- All transactions with the related parties have been made on commercial basis. Details of related party transactions have been disclosed under Note No. 35 of the Financial Statements.

- No significant variance occurred between Quarterly Financial performance and Annual Financial Statements.

- The Board of Directors including Independent Directors received fees for attending Board Meeting only in accordance with the Articles of Association of the Company. The remuneration of Tk. 450,000.00 was paid to the Managing Director of the Company during the 18 months period ended on 30 June 2017.

- আর্থিক বিবরণী ও তদসংক্রান্ত টিকাসমূহ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং ষ্ট্যান্ডার্ড (বিএসআরএস), কোম্পানী আইন ১৯৯৪, সিকিউরিটিজ এন্ড এক্সচেঞ্জ নীতিমালা ১৯৮৭ এবং অন্যান্য প্রযোজ্য আইন ও নিয়মকানুনের আলোকে প্রস্তুত করা হয়েছে। এই সকল বিবরণীসমূহে কোম্পানী সংক্রান্ত বিষয়াবলী, অর্থ প্রবাহ, পরিচালনার ফলাফল এবং তারল্যের পরিবর্তন সঠিকভাবে উপস্থাপিত হয়েছে।

- The Financial Statements together with the notes thereon have been drawn up in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations. These statements present fairly the Company's state of affairs and the results of its operations, cash flow and changes in equity.

- কোম্পানীর হিসাববহিসমূহ যথাযথভাবে রক্ষিত হয়েছে।

- Proper books of accounts of the Company have been maintained.

- আর্থিক বিবরণীসমূহ প্রস্তুতকালে হিসাবসংক্রান্ত নীতিমালা যথাযথভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত প্রাক্কলনসমূহ যৌক্তিকতা ও বিচক্ষনতার আলোকে করা হয়েছে।

- Appropriate Accounting Policies have been consistently applied in the preparation of Financial Statements and the accounting estimates are based on reasonable and prudent judgment.

- আর্থিক বিবরণী প্রস্তুতকালে বাংলাদেশে প্রযোজ্য আন্তর্জাতিক হিসাব মানসমূহ যেমন ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড (আইএএস)/বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড (বিএএস)/ ইন্টারন্যাশনাল ফাইন্যান্সিং রিপোর্টিং স্ট্যান্ডার্ড (আইএফআরএস)/ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (বিএফআরএস) অনুসরন করা হয়েছে এবং তা সঠিকভাবে প্রকাশ করা হয়েছে।

- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

- আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা কার্যপোযোগী ছিল এবং এর সঠিক প্রয়োগ নিশ্চিত করা হয়েছে।

- The systems of internal control are sound and have been effectively implemented and monitored.

- চলমান প্রতিষ্ঠান হিসেবে কোম্পানীর সক্ষমতা নিঃসন্দেহে প্রমাণিত।

- There are no significant doubts upon the Company's ability to continue as a going concern.

- গত বছরের তুলনায় এ মেয়াদে সংগঠিত যাবতীয় গুরুত্বপূর্ণ তথ্যাবলী ও উল্লেখযোগ্য তারতম্যসমূহ এবং উহার ব্যাখ্যা প্রদান করা হয়েছে।

- All significant variations in operating results from the previous year have been highlighted and reasons thereof have been explained.

- সিইও এবং সিএফও আর্থিক বিবরণী পর্যালোচনা করে বোর্ডে উথাপন করেছেন এবং বিশ্বাস করেন যে, এতে কোন ভুল ও অসত্য তথ্য নেই যাতে বিভ্রান্তি সৃস্টি হয়। **(পৃষ্ঠা নং ২৫)**

- The CEO and CFO have certified to the Board that they have reviewed the Financial Statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. **(Page no. 25)**

- সিইও এবং সিএফও আর্থিক বিবরণী সত্যায়ন করে বোর্ডে উথাপন করেছেন এবং তাঁরা বিশ্বাস করেন যে এতে কোম্পানীর আর্থিক অবস্থা সত্য ও সুন্দরভাবে উপস্থাপন করা হয়েছে। এ সকল বিবরণী প্রচলিত হিসাব মান ও প্রযোজ্য আইন অনুসরণ করে উপস্থাপন করা হয়েছে।

- The CEO and CFO have certified to the Board that they have reviewed the Financial Statements and believe that these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

- সিইও এবং সিএফও আরো সত্যায়ন করেন যে উক্ত মেয়াদে তাদের জ্ঞাতসারে কোম্পানী এমন কোন কার্য সম্পাদন করেনি যা, অনৈতিক, অবৈধ কিংবা কোম্পানীর আচরণবিধির পরিপন্থি।

- দশ বছরের আর্থিক ও ব্যবসায়িক তথ্যাবলী সংযুক্ত করা হয়েছে। **(পৃষ্ঠা নং ৪)**

- কোম্পানীর শেয়ারহোল্ডিং প্যাটার্ণ নামানুসারে উল্লেখপূর্বক সংযুক্ত করা হয়েছে। **(পৃষ্ঠা নং ২১)**

- The CEO and CFO have further certified to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or in violation of the company's codes of conduct.

- The key operating and financial data for the last ten years, including those of the last 18 months' period, is enclosed **(Page no. 5)**

- The pattern of shareholding (name wise) is also enclosed **(Page no. 21)**

## কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের দিক নির্দেশনা অনুযায়ী, কর্পোরেট গভর্নেন্স কমপ্লায়েন্স রিপোর্ট সংযুক্ত করা হয়েছে। **(পৃষ্ঠা নং ২২)**

## Corporate governance compliance Report

In accordance with the requirement of Bangladesh Securities and Exchanges Commission, Corporate Governance Compliance Report is enclosed **(Page no. 22)**

## পরিচালকমন্ডলী

কোম্পানীর সংঘবিধির ১১৩ নম্বর ধারা মোতাবেক ট্রান্সকম লিমিটেড মোট পরিচালকবৃন্দের এক-তৃতীয়াংশের নিয়োগ প্রদান করবে, যাদের পর্যায়ক্রমে অবসর নিতে হবে না। ঐ ধারানুসারে জনাব লতিফুর রহমান এবং বেগম শাহনাজ রহমান ট্রান্সকম লিমিটেড কর্তৃক পরিচালক নিযুক্ত হওয়ায় তাঁদেরকে আবর্তনমূলক অবসর নিতে হবে না।

অপরদিকে, কোম্পানীর সংঘবিধি ১২৪ নম্বর ধারা অনুযায়ী জনাব সাইফুর রহমান, জনাব আতিকুর রহমান, জনাব ওবায়দুর রহমান খান এবং মিসেস শাজরে হক পর্যায়ক্রমে অবসর নিচ্ছেন এবং যোগ্য বিবেচনায় তাদের পূনর্নির্বাচনের জন্য প্রস্তাব দেয়া হচ্ছে।

## Directors

In terms of article 113 of the Articles of Association of the Company, Transcom Limited is entitled to appoint one-third of the total number of Directors who shall not retire by rotation. Accordingly, Mr. Latifur Rahman and Mrs. Shahnaz Rahman who were appointed by Transcom Limited as Directors of the Company will not retire by rotation.

Out of the other Directors, Mr. Saifur Rahman, Mr. Atiqur Rahman, Mr. Obaidur Rahman Khan and Mrs. Shahzreh Huq will retire by rotation in accordance with article 124 of the Articles of Association of the Company and, being eligible, offer themselves for re-election.

## নিরীক্ষক

বর্তমান নিরীক্ষক মেসার্স নুরুল ফারুক হাসান এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস, এই সভায় অবসর নিচ্ছেন এবং, নতুন নিরীক্ষক নিয়োগের গুরুত্ব বিবেচনায়, ৫ আগস্ট ২০১৭ইং তারিখের পত্র মারফত উক্ত নিরীক্ষক কোম্পানীর নিয়মানুগ নিরীক্ষক হিসেবে কাজ করার ব্যাপারে অপারগতা প্রকাশ করেছেন। ইতিমধ্যে মেসার্স এ, কাসেম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস, ২০১৭-২০১৮ সালের জন্য নিয়মানুগ নিরীক্ষক হিসেবে নিয়োজিত হওয়ার ইচ্ছা প্রকাশ করেছেন।

## Auditors

The existing auditors of the Company Messrs. Nurul Faruk Hasan & Co., Chartered Accountants, will retire at this meeting and they have expressed their unwillingness to act as the statutory auditors of the Company for the year 2017-2018 vide letter dated August 05, 2017 necessitating the appointment of new auditors. In the meantime, Messrs. A. Qasem & Co., Chartered Accountants, have expressed their interest to act as the statutory auditors of the company for the year 2017-2018.

## স্বীকৃতি

পরিচালকমন্ডলী ও আমার পক্ষ থেকে কোম্পানীর সকল শেয়ারহোল্ডারবৃন্দ, কর্মকর্তা ও কর্মচারীবৃন্দ, গ্রাহকগণ, ব্যাংক, আর্থিক প্রতিষ্ঠান, সরকারী সংস্থা, পরিবেশকসহ সকল ব্যবসায়িক অংশীদারকে তাদের সমর্থন ও সহযোগিতার জন্য ধন্যবাদ ও কৃতজ্ঞতা জানাই। আমাদের প্রত্যাশা, এই সমর্থন ভবিষ্যতেও অব্যাহত থাকবে, যাতে কোম্পানী অধিকতর সাফল্য লাভ করতে পারে।

পরিচালকমন্ডলীর পক্ষে

**শাহনাজ রহমান**
**সভাপতি**

তারিখ, ঢাকা
আগষ্ট ০৭, ২০১৭

## Acknowledgement

On behalf of the Board of Directors and myself, I would like to thank our shareholders, employees of the Company, our business partners including distributors, customers, banks, financial institutions, government agencies, and our suppliers for their continuous support and co-operation extended to the Company. We expect that this commitment will persist in future as well, so that the Company can attain greater success.

On behalf of the Board

**Shahnaz Rahman**
**Chairman**

Dated, Dhaka
August 07, 2017

AMAR STOCK

# PATTERN OF SHAREHOLDING

as at 30th June 2017

| Categories | | Name | Shares |
|---|---|---|---|
| **Parent/Subsidiary/Associated Companies & others** | : | Transcom Limited | 5068336 |
| | | Transcom Electronics Limited | 650000 |
| **Directors, CEO, COO, CFO, Company Secretary, Head of Internal Audit & others** | : | | |
| Chairman | : | Shahnaz Rahman | 7800 |
| Managing Director & CEO | : | Latifur Rahman | 7852 |
| Director | : | Saifur Rahman | 41483 |
| Children | : | Maheen Sarina Rubaiya Rahman | 5498 |
| Children | : | Maiaz Mujibur Rahman | 5460 |
| Director | : | Atiqur Rahman | 16952 |
| Spouse | : | | nil |
| Children | : | | nil |
| Director | : | Shamsur Rahman | 7800 |
| Spouse | : | | nil |
| Children | : | | nil |
| Director | : | Obaidur Rahman Khan | 17004 |
| Spouse | : | Shahana Khan | 25558 |
| Children | : | | nil |
| Director | : | Arshad Waliur Rahman | 1950 |
| Spouse | : | | nil |
| Children | : | | nil |
| Director | : | Simeen Hossain | 1950 |
| Spouse | : | | nil |
| Children | : | | nil |
| Director | : | Shahzreh Huq | 1950 |
| COO & Spouse | : | Arshad Huq | nil |
| Children | : | | nil |
| Independent Director | : | Ahmed Shafi Choudhury | nil |
| Spouse | : | | nil |
| Children | : | | nil |
| Independent Director | : | Rokia Afzal Rahman | nil |
| Spouse | : | | nil |
| Children | : | | nil |
| Independent Director | : | Anis-uz-Zaman Khan | nil |
| Spouse | : | | nil |
| Children | : | | nil |
| Chief Operaring Officer | : | Arshad Huq | nil |
| Director & Spouse | : | Shahzreh Huq | 1950 |
| Children | : | | nil |
| Chief Financial Officer | : | A. K. M. Moinuddin, FCA | nil |
| Spouse | : | | nil |
| Children | : | | nil |
| Company Secretary | : | Mohammad Ruhan Mian, FCS | nil |
| Spouse | : | | nil |
| Children | : | | nil |
| Head of Internal Audit | : | Mohammed Shakil Choudhury, FCA | 65 |
| Spouse | : | | nil |
| Children | : | | nil |
| **Executives** | : | 1 Mohammad Mahboob Arslan | nil |
| | | 2 Habibur Rahman | nil |
| | | 3 Ruhul Amin, ACA | nil |
| | | 4 Md. Mahabubur Rahman Khan | 390 |
| | | 5 Mohammad Ahsan Ullah | nil |
| **Shareholders holding 10% or more shares** | : | Transcom Limited | 5068336 |

AMAR STOCK

# CORPORATE GOVERNANCE COMPLIANCE REPORT

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

**(Report under Condition No. 7.00)**

| Condition No. | Title | Compliance Status | Remarks (if any) |
|---|---|---|---|
| 1.1 | Board's Size | Complied | |
| 1.2 (i) | Independent Directors | √ | |
| 1.2 (ii) a) | Shareholding of Independent Directors | √ | |
| 1.2 (ii) b) | Connection of Independent Directors with Sponsors/Shareholders of the Company | √ | |
| 1.2 (ii) c) | Relationship of Independent Directors with Subsidiary/Associated Companies | √ | |
| 1.2 (ii) d) | Holding of Membership, Director or Officer of any Stock Exchange by Independent Directors | √ | |
| 1.2 (ii) e) | Holding of Share, Director or Officer of any Member of Stock Exchanges or an Intermediary of the Capital Market by Independent Directors | √ | |
| 1.2 (ii) f) | Holding the Position of a Partner or an Executive of the Company's Statutory Audit Firm by Independent Directors | √ | |
| 1.2 (ii) g) | Independent Director of Listed Companies | √ | |
| 1.2 (ii) h) | Defaulter in Payment of any Loan to a Bank or a Non-Bank Financial Institutions by Independent Directors | √ | |
| 1.2 (ii) i) | Criminal Offence against Independent Directors | √ | |
| 1.2 (iii) | Independent Directors Appointment | √ | |
| 1.2 (iv) | Vacant the Post of Independent Directors | √ | |
| 1.2 (v) | Code of Conduct of Board Members | √ | |
| 1.2 (vi) | Tenure of Independent Directors | √ | |
| 1.3 (i) | Qualification, knowledge & Integrity of Independent Directors | √ | |
| 1.3 (ii) | Background of Independent Director | √ | |
| 1.3 (iii) | Relaxation of qualification of Independent Director | No such case | |
| 1.4 | Chairman and Chief Executive | Complied | |
| 1.5 (i) | Industry Outlook and Possible Future Developments | √ | |
| 1.5 (ii) | Segment-wise or Product-wise Performance | √ | |
| 1.5 (iii) | Risks and Concerns | √ | |
| 1.5 (iv) | Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin | √ | |
| 1.5 (v) | Discussion on Continuity of any Extra-Ordinary Gain or Loss | √ | |
| 1.5 (vi) | Basis for Related Party Transactions | √ | |
| 1.5 (vii) | Utilization of Proceeds from Public Issues, Right Issues, etc. | No such case | |
| 1.5 (viii) | Explanation if the Financial Results Deteriorate after the Company goes for IPO, RPO, etc | No such case | |

AMARSTOCK

| Condition No. | Title | Compliance Status | Remarks (if any) |
|---|---|---|---|
| 1.5 (ix) | Explanation of Significant Variance Occurs Between Quarterly Financial Performance and Annual Financial Statements | Complied | |
| 1.5 (x) | Remuneration to Directors | √ | |
| 1.5 (xi) | Directors Report on Financial Statement | √ | |
| 1.5 (xii) | Books of Accounts | √ | |
| 1.5 (xiii) | Accounting Policies | √ | |
| 1.5 (xiv) | IAS Application in Bangladesh | √ | |
| 1.5 (xv) | System of Internal Control | √ | |
| 1.5 (xvi) | Going Concern | √ | |
| 1.5 (xvii) | Deviations in Operating Results | √ | |
| 1.5 (xviii) | Key Operating and Financial Data | √ | |
| 1.5 (xix) | Declaration of Dividend | √ | |
| 1.5 (xx) | Number of Board Meetings | √ | |
| 1.5 (xxi) a) | Pattern of Shareholdings by Parent/ Subsidiary/Associated Companies | √ | |
| 1.5 (xxi) b) | Pattern of Shareholdings by Directors and Officers | √ | |
| 1.5 (xxi) c) | Pattern of Shareholdings by Executives | √ | |
| 1.5 (xxi) d) | Pattern of Shareholdings by Shareholders Holding 10% or More | √ | |
| 1.5 (xxii) a) | Resume of the Director | √ | |
| 1.5 (xxii) b) | Expertise of Director | √ | |
| 1.5 (xxii) c) | Names of other Companies if the Director Involved | √ | |
| 2.1 | Appointment of Chief Financial Officer (CFO), Head Of Internal Audit and Company Secretary (CS) and defining their responsibilities | √ | |
| 2.2 | Board Meeting Attendance | √ | |
| 3 (i) | Audit Committee | √ | |
| 3 (ii) | Ensure true and fair value of financial statement by Audit Committee | √ | |
| 3 (iii) | Responsibilities and Duties of Audit Committee | √ | |
| 3.1 (i) | Composition of Audit Committee | √ | |
| 3.1 (ii) | Audit Committee Members Appointment | √ | |
| 3.1 (iii) | Qualification of Members of the Audit Committee | √ | |
| 3.1 (iv) | Terms of Services of Audit Committee | √ | |
| 3.1 (v) | Secretary of Audit Committee | √ | |
| 3.1 (vi) | Quorum of the Audit Committee | √ | |
| 3.2 (i) | Chairman of the Audit Committee | √ | |
| 3.2 (ii) | Chairman of the Audit Committee Attendance in AGM | √ | |
| 3.3 (i) | Oversee the Financial Reporting | √ | |
| 3.3 (ii) | Monitor Choice of Accounting Policies | √ | |
| 3.3 (iii) | Monitor Internal Control Risk Management Process | √ | |
| 3.3 (iv) | Oversee Hiring and Performance of External Auditors | √ | |
| 3.3 (v) | Review the Annual Financial Statements | √ | |
| 3.3 (vi) | Review the Quarterly and Half Yearly Financial Statements | √ | |
| 3.3 (vii) | Review the Adequacy of Internal Audit Function | √ | |

| Condition No. | Title | Compliance Status | Remarks (if any) |
|---|---|---|---|
| 3.3 (viii) | Review Statement of Significant Related Party Transactions | Complied | |
| 3.3 (ix) | Review Management Letters/ Letter of Internal Control Weakness | √ | |
| 3.3 (x) | Statement of Funds Utilized for the Purposes of IPO/RPO/Rights Issue | No such case | |
| 3.4.1 (i) | Reporting to the Board of Directors | Complied | |
| 3.4.1 (ii) a) | Report of Conflicts of Interests | No such case | |
| 3.4.1 (ii) b) | Defect on the Internal Control System | No such case | |
| 3.4.1 (ii) c) | Suspected Infringement of Laws | No such case | |
| 3.4.1 (ii) d) | Any Other Matter | No such case | |
| 3.4.2 | Reporting to the Authorities | No such case | |
| 3.5 | Reporting to the Shareholders | Complied | |
| 4 (i) | Appraisal or Valuation Services | √ | |
| 4 (ii) | Financial Information Systems | √ | |
| 4 (iii) | Book-Keeping or Other Services | √ | |
| 4 (iv) | Broker Dealer Services | √ | |
| 4 (v) | Actuarial Services | √ | |
| 4 (vi) | Internal Audit Services | √ | |
| 4 (vii) | Any Other Service | √ | |
| 4 (viii) | External Audit Firms not Possess any Share | √ | |
| 4 (ix) | Audit/Certification services as required under 7(i) | √ | |
| 5 (i) | Provisions Relating to the Composition of the Board of Directors of the Subsidiary Company | No such case | |
| 5 (ii) | Appointment on Independent Director of the Subsidiary Company | No such case | |
| 5 (iii) | Minutes of the Board Meeting of the Subsidiary Company | No such case | |
| 5 (iv) | Minutes of the Board Meeting of Holding Company | No such case | |
| 5 (v) | The Financial Statements, in Particular the Investments Made by the Subsidiary Company Reviewed by the Audit Committee of the Holding Company | No such case | |
| 6 (i) a) | Review of Financial Statements by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | Complied | |
| 6 (i) b) | Review the Compliance of Accounting Standards and related Laws by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | √ | |
| 6 (ii) | Chief Executive Officer (CEO) and Chief Financial Officer (CFO) shall verify the violation of the Company's Code of Conduct | √ | |
| 7 (i) | Obtaining Certificate From a Practicing Professional | √ | |
| 7 (ii) | Annexure Attachment | Complied | |

AMAR STOCK

# The CEO and CFO's Certification to the Board

We have reviewed the financial statements of Bangladesh Lamps Limited for the period of 18 months from 1st January 2016 to 30 June 2017 and to the best of our knowledge and belief:

a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

There are, to the best of knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violation of the Company's code of conduct.

A.K.M. Moinuddin
Chief Financial Officer

Latifur Rahman
Managing Director/CEO

**7th August 2017**

AMAR STOCK

বসু ব্যানার্জী নাথ এ্যান্ড কোং
BASU BANERJEE NATH & CO.
Chartered Accountants

Certificate on the compliance to the shareholders
of
Bangladesh Lamps Limited
(As required under the BSEC Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by Bangladesh Lamps Limited for the period ended on 30th June 2017 (i.e. for the 18 months period stretching from 1st January 2016 upto 30th June 2017). These guidelines relate to the Notification no.SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21st July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

The compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the Company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

In our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC. We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Md. Aftab Uddin Khan, FCA, FCS, LLB
Partner
Basu Banerjee Nath & Co.
Chartered Accountants

Dhaka, 7th August 2017

# AUDIT COMMITTEE REPORT

The Audit Committee of Bangladesh Lamps Limited was formed as per the terms of reference approved by the Board in accordance with the notification of Bangladesh Securities and Exchange Commission no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012.

The Audit Committee of the Company comprises of four Directors, nominated by the Board of Directors of the Company, headed by the Independent Director, Mr. Ahmed Shafi Choudhury. The other members of the Committee are, Mr. Atiqur Rahman, Mr. Obaidur Rahman Khan and Mr. Arshad Waliur Rahman.

The Committee has worked closely with the Company's internal audit team to ensure that the audit processes adopted in connection with the financial statements, are dealt with best practices. The Committee was empowered to examine the matter relating to financial and other affairs of the Company. This Committee ensures a sound financial reporting system and provides the updated information to the Board of Directors.

The Committee meets every quarter. During the year 2016-2017, six Audit Committee meetings were held to carry out the following tasks:

Sufficient effectiveness of the internal financial controls.

Compliance of all applicable legal and regulatory rules and regulations.

Various reports of operational activities and streamlined the operations of the Company.

The Committee reviewed the internal audit and compliance systems and procedures for the 18 months period ended on 30 June 2017, and performance of external auditors Messrs. Nurul Faruk Hasan & Co., Chartered Accountants.

Reviewed the annual and quarterly financial statements of the Company, and also reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.

On behalf of the Audit Committee

**Ahmed Shafi Choudhury**
Chairman

Dated, Dhaka
August 07, 2017

# 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

# 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

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## for the year ended 30 June 2017

| | Notes | 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 |
|---|---|---|---|---|---|
| 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.

**Nurul Faruk Hasan & Co.**
Chartered Accountants

Dhaka, Bangladesh
Dated: 07 August 2017

# STATEMENT OF CHANGES IN EQUITY
## for the year ended 30 June 2017

| Particulars | Share capital | Reserves and surplus | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Capital reserve | General reserve | Fair value reserve | Retained earnings | Total | |
| | Taka | Taka | Taka | Taka | Taka | Taka | 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 | 632,701,897 |
| 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 | 39,350,199 |
| Other comprehensive income | - | - | - | 206,096,494 | - | 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 | 878,148,590 |
| **Balance as at 1 January 2016** | 93,706,080 | 2,305,167 | 171,299,487 | 364,774,914 | 30,858,552 | 569,238,120 | 662,944,200 |
| Dividend | - | - | - | - | (18,741,216) | (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 | 26,869,322 |
| Other comprehensive income | - | - | - | (38,370,409) | - | (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 | 632,701,897 |
| **Balance as at 1 January 2015** | 93,706,080 | 2,305,167 | 171,299,487 | 330,756,187 | 18,741,216 | 523,102,057 | 616,808,137 |
| Dividend | - | - | - | - | (18,741,216) | (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 | 30,858,552 |
| Other comprehensive income | - | - | - | 34,018,727 | - | 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 |

AMAR STOCK

# 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) |
| | ***Cash generated from operation*** | (237,868) | 50,437,599 | 50,199,731 | 58,392,616 |
| | 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) |
| | ***Net cash generated from/(used to) operating activities*** | (43,823,184) | 30,765,242 | (13,057,942) | 28,636,881 |
| 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) |
| | ***Net cash inflows/(outflows) from investing activities*** | (9,701,397) | 12,439,352 | 2,737,955 | (658,120) |
| 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) |
| | Net cash inflows/(outflows) from financing activities | (311,741) | (25,569,958) | (25,881,699) | (38,406,860) |
| 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) |

# 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 equipement 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.

## 4. 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 | Accumulated depreciation | Book value | Sale value | Mode of disposal |
|---|---|---|---|---|---|
| | Taka | Taka | Taka | Taka | |
| Vehicles | 1,060,000 | 1,060,000 | - | 120,000 | Sold |
| 2016-2017 | 1,060,000 | 1,060,000 | - | 120,000 | |

| | | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 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%.

## 7. Fair value adjustment

| | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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 |
| | 11,574,563 | 49,615 | 8,537,530 | 6,239,295 | 13,872,798 |

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

## 10. Trade and other debtors

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

| | | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|---|
| **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 | 191,937,232 | 194,142,438 | 171,814,288 |
| | Due more than six months | 9,424,278 | 5,958,097 | 6,649,744 |
| | | 201,361,510 | 200,100,535 | 178,464,032 |
| | | 201,361,510 | 200,133,923 | 178,497,420 |
| **10.2** | **Other debtors** | | | |
| | Bangladesh Electrical Industries Ltd. | 189,894 | 2,063,973 | 73,966 |
| | Transcom Foods Ltd. | 1,056,490 | 459,256 | 139,276 |
| | Transcom Distribution Company Ltd. | 353,873 | 1,575,267 | 350,425 |
| | Sena Kalyan Sangstha | 131,732 | 131,732 | 131,732 |
| | Transcom Electronics Ltd. | 1,021,735 | - | - |
| | Transcom Mobile Ltd. | 45,000 | 30,000 | - |
| | Miscellaneous | 171,707 | 356,789 | 408,161 |
| | | 2,970,431 | 4,617,017 | 1,103,560 |
| **11.** | **Advances, deposits and prepayments** | | | |
| | Advances: | | | |
| | Current portion of cash and article loan to employees (Note 8) | 3,007,628 | 2,405,556 | 1,979,780 |
| | VAT current account | 2,602,143 | 1,137,357 | 301,648 |
| | To employees | 3,418,717 | 3,633,976 | 1,263,912 |
| | To suppliers | 473,523 | 524,030 | 141,374 |
| | | 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 | 196,650,793 | 181,756,982 | 149,615,412 |
| | Add: Advance income tax paid u/s 64 of Income Tax Ordinance 1984 | - | - | - |
| | Tax deducted at source | 33,808,007 | 14,893,811 | 32,141,570 |
| | | 33,808,007 | 14,893,811 | 32,141,570 |
| | | 230,458,800 | 196,650,793 | 181,756,982 |
| | Less: Adjustment for completed assessments | - | - | - |
| | Closing Balance | 230,458,800 | 196,650,793 | 181,756,982 |

| | | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|---|
| **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 |

| | | | | |
|---|---|---|---|---|
| **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 |

## 15. Reserves and surplus

| | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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 |
| | 784,442,510 | 538,995,817 | 569,238,120 |

## 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 |
| | 60,890,820 | 54,593,498 | 54,323,441 |
| Less: Payment during the year | 10,878,815 | 2,014,152 | 6,567,411 |
| | 50,012,005 | 52,579,346 | 47,756,030 |

## 17. Deferred tax liability/(assets)

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

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

**Movement of deferred tax liability:**

| | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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

| | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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

| | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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.

## 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 |
| | 66,731,353 | 56,609,603 | 54,196,494 |

| 21.1 Provision for royalty | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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 |
| | 38,493,383 | 30,983,736 | 27,761,693 |
| Less: Payment during the year | - | - | - |
| Closing balance (Note: 21.1.1) | 38,493,383 | 30,983,736 | 27,761,693 |

**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 | - | - |
| | 38,493,383 | 30,983,736 | 27,761,693 |

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

| 22. Provision for tax | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
|---|---|---|---|
| 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 |
| | 149,305,529 | 134,157,361 | 123,685,977 |
| Less: Adjustment for completed assessments | - | - | - |
| | 149,305,529 | 134,157,361 | 123,685,977 |

| 23. Revenue | 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 |
|---|---|---|---|---|
| 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.

**23.2 Sales Quantity**

| | For the year ended 30 June 2017 Quantity | For the 6 months period ended 30 June 2016 Quantity | For the 18 months period ended 30 June 2017 Quantity | For the year ended 31 December 2015 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 |

**24. Cost of sales**

| | 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 |
|---|---|---|---|---|
| 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) | 675,215,787 | 367,690,672 | 1,042,906,459 | 800,669,930 |
| 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) | 23,571,559 | 11,696,420 | 35,267,979 | 22,197,543 |
| | 866,611,829 | 455,489,607 | 1,322,101,436 | 977,484,226 |
| 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 | 865,316,682 | 457,103,162 | 1,322,419,844 | 978,158,468 |
| 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) |
| | 925,576,129 | 475,950,255 | 1,401,526,384 | 963,562,735 |

## 24.1 Raw materials consumed

**For the year ended 30 June 2017**

| Description | Opening stock Value Taka | Purchase Value Taka | Closing stock Value Taka | Consumption Value 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 Value Taka | Purchase Value Taka | Closing stock Value Taka | Consumption Value 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 Value Taka | Purchase Value Taka | Closing stock Value Taka | Consumption Value Taka |
|---|---|---|---|---|
| **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

| Description | At 30 June 2017 | | At 30 June 2016 | | At 31 December 2015 | |
|---|---|---|---|---|---|---|
| | Quantity (Pc) | Value (Taka) | Quantity (Pc) | Value (Taka) | Quantity (Pc) | Value (Taka) |
| **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 |
| | | 1,540,336 | | 598,938 | | 1,931,734 |
| **CFL:** | | | | | | |
| Unpacked lamps | - | - | - | - | 505 | 71,144 |
| | | - | | - | | 71,144 |
| **FTL:** | | | | | | |
| Stem light | - | - | - | - | - | - |
| Mount light | - | - | - | - | - | - |
| Unpacked light | 7,500 | 363,479 | - | - | 4,500 | 205,890 |
| Inner sleeve | - | - | 3,000 | 9,730 | - | - |
| | | 363,479 | | 9,730 | | 205,890 |
| Starter: | | | | | | |
| Unpacked | - | - | - | - | 2,500 | 13,455 |
| | | 1,903,815 | | 608,668 | | 2,222,223 |

## 24.3 Closing stock of finished goods (In unit)

| | At 30 June 2017 Quantity | At 30 June 2016 Quantity | At 31 December 2015 Quantity |
|---|---|---|---|
| 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 |

## 25. Other income

| | 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 |
|---|---|---|---|---|
| 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 |
| | 37,706,987 | 25,831,304 | 63,538,291 | 23,078,772 |

**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.

## 26. Operating expenses

| | 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 |
|---|---|---|---|---|
| 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 |
| | 259,628,899 | 131,214,424 | 390,843,323 | 271,992,389 |

| | 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 |
|---|---|---|---|---|
| **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 |
| | 21,735,264 | 8,732,675 | 30,467,939 | 16,563,253 |
| **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 |
| | 4,493,644 | 2,967,364 | 7,461,008 | 10,101,434 |
| **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 |
| | (13,212,695) | (8,307,938) | (21,520,633) | (10,972,879) |
| **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 |
| | 206,096,494 | (38,370,409) | 167,726,085 | 34,018,727 |
| **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 |
| Weighted average number of ordinary shares outstanding at the year end | 9,370,608 | 9,370,608 | 9,370,608 | 9,370,608 |
| **Basic Earnings Per Share (EPS)** | 4.20 | 2.87 | 7.07 | 3.29 |

**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 Quantity | For the 6 months period ended 30 June 2016 Quantity | For the 18 months period ended 30 June 2017 Quantity | For the year ended 31 December 2015 Quantity |
|---|---|---|---|---|
| **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 | |
|---|---|---|---|---|
| | Directors | Officers | Directors | Officers |
| No. of Directors & Officers | 12 | 145 | 12 | 147 |
| | Taka | Taka | Taka | Taka |
| 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 |
| | 978,500 | 54,939,272 | 1,220,000 | 46,732,973 |

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:

| | At 30 June 2017 | At 30 June 2016 | At 31 December 2015 |
|---|---|---|---|
| | Taka | Taka | Taka |
| 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 |
| | 268,856,235 | 312,850,999 | 294,034,199 |

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 | - |
| | 201,361,510 | 200,133,923 | 178,497,420 |

#### 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 |
| | 201,361,510 | 200,133,923 | 178,497,420 |

#### 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 |
| | 2,970,431 | 4,617,017 | 1,103,560 |

## 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:

| At 30 June 2017 | 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 |
|---|---|---|---|---|---|---|---|
| **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

| | At 30 June 2017 | | At 30 June 2016 | | At 31 December 2015 | |
|---|---|---|---|---|---|---|
| | BDT | USD | BDT | USD | BDT | USD |
| **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:

| | Exchange rates as | | |
|---|---|---|---|
| | At 30 June 2017 Taka | At 30 June 2016 Taka | At 31 December 2015 Taka |
| US Dollar (USD) | 81.20 | 78.40 | 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.

| | Profit or loss | | Equity | |
|---|---|---|---|---|
| | 10% increase | 10% decrease | 10% increase | 10% decrease |
| **At 30 June 2017** | Taka | Taka | Taka | Taka |
| 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 |
| **At 30 June 2016** | | | | |
| 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 |
| **At 31 December 2015** | | | | |
| 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:

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

**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 | |
|---|---|---|---|---|---|---|
| | Carrying amount | Fair value | Carrying amount | Fair value | Carrying amount | Fair value |
| | Taka | Taka | Taka | Taka | Taka | Taka |
| 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 |
| | | | Taka | Taka | Taka | Taka |
| 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 | (8,322,409) | 405,950 | (3,100,122) | (11,016,581) |
| | | b) Royalty | - | - | (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 divend of Tk. 3.00 per share amounting to Tk. 28,111,824 at the board meeting held on 07 August 2017.

# BANGLADESH LAMPS LIMITED
# PROXY FORM

I .....

of .....

being a shareholder of Bangladesh Lamps Limited, hereby appoint

Mr./Mrs./Miss .....

of .....

as my proxy in my absence to attend and vote for me and on my behalf at the 56th Annual General Meeting of the Company to be held on Tuesday, 12th September 2017 at 11:00 a.m. and at any adjournment thereof.

As wintness my hand this ..... day of September 2017.

Signature of Shareholder .....

Shareholder's Folio no./BO No. .....

Signature of Proxy .....

Revenue Stamp

| Tk. 10.00 | Tk. 10.00 |
|---|---|

# BANGLADESH LAMPS LIMITED
# ATTENDANCE SLIP

I hereby record my attendance at the 56th Annual General Meeting of the Company held on today the 12th September 2017, at the Emmanuelle's Banquet Hall, House No. 04, Road No. 134-135, Gulshan-1, Dhaka.

Name of the shareholder .....

Shareholder's Folio No./BO No. .....

Signature of Shareholder .....

Signature of Proxy .....

The shareholder attending the meeting is requested to write his/her registered name and Folio number/BO number on this slip and deposit the same at the registration counter of the meeting.

AMARSTOCK

# বাংলাদেশ ল্যাম্পস লিমিটেড
## প্রক্সিপত্র

আমি .....

ঠিকানা .....

বাংলাদেশ ল্যাম্পস লিমিটেড-এর একজন শেয়ারহোল্ডার হিসেবে

জনাব/বেগম .....

কে ১২ই সেপ্টেম্বর ২০১৭, মঙ্গলবার, সকাল ১১:০০ টায় অনুষ্ঠিতব্য কোম্পানীর ৫৬তম বার্ষিক সাধারণ সভায় অথবা এর মূলতবী সভায় আমার পক্ষে উপস্থিত থেকে প্রক্সির মাধ্যমে ভোট প্রদানের জন্য নিযুক্ত করলাম।

সাক্ষ্য হিসেবে ..... সেপ্টেম্বর ২০১৭ তারিখে সজ্ঞানে স্বাক্ষর করলাম।

শেয়ারহোল্ডারের স্বাক্ষর .....

শেয়ারহোল্ডারের ফলিও নম্বর/বিও নম্বর .....

প্রক্সির স্বাক্ষর .....

রেভিনিউ স্ট্যাম্প

| টাকা ১০.০০ | টাকা ১০.০০ |
|---|---|

# বাংলাদেশ ল্যাম্পস লিমিটেড
## উপস্থিতিপত্র

আমি অদ্য ১২ই সেপ্টেম্বর ২০১৭, তারিখে ইমানুয়্যালস্ ব্যাংকুয়েট হল, বাড়ী নং-০৪, রোড নং-১৩৪-১৩৫, গুলশান-১, ঢাকায় অনুষ্ঠেয় কোম্পানীর ৫৬তম বার্ষিক সাধারণ সভায় আমার উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম .....

শেয়ারহোল্ডারের ফলিও নম্বর/বিও নম্বর.....

শেয়ারহোল্ডারের স্বাক্ষর .....

প্রক্সির স্বাক্ষর .....

সম্মানিত শেয়ারহোল্ডারদের অনুরোধ করা যাচ্ছে যে, তাঁরা যেন এই পত্র যথাযথভাবে পূরণ করে সভার দিনে রেজিস্ট্রেশন কাউন্টারে জমা দেন।

# TRANSTEC
Lighting

## Eco-friendly Energy Saving
## Lighting Solutions

Domestic | Commercial | Industrial



UP TO 90% ENERGY SAVING





ট্রান্সটেক®