



Telephone Shilpa Sangstha Limited

A State owned company.

Tongi, Gazipur-1710, Bangladesh. Phone : 9814747, 9802701-06

Fax : 880-2-9812700. Web Site : www.tss.com.bd

E-mail : mdtss@btcl.net.bd / info@tss.com.bd



Annual Report 2012-2013



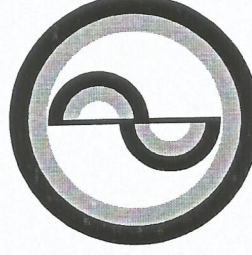
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Brief History of TSS:

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Brief History of TSS:

Telephone Shilpa Sangstha (TSS) Limited was initially established in the year 1967 with the nomenclature of "Telephone Industries Corporation" (TIC) under a joint venture agreement between the then Government of Pakistan and M/S Siemens AG, West Germany. After the independence, Telephone Industries Corporation (TIC) has been incorporated as a limited company with its present name 'Telephone Shilpa Sangstha (TSS) Ltd.' under the Companies Act, 1994.

Financial History:

Figures in LacTaka

Particulars	2012-2013	2011-2012	2010-2011	2009-2010
Revenue Income	10,360.00	5,600.00	3,096.07	1,309.97
Net profit before tax	107.75	89.57	30.63	17.80
Income tax expense	51.80	28.00	7.74	3.27
Net profit After tax	55.95	61.57	22.89	14.53
Retaining earning	(642.59)	(700.80)	(769.88)	(831.79)
Revaluation Reserve	1,02,011.72	1,02,011.72	1,02,011.72	1,02,011.72
Share Capital(in number)	86,824	86,824	86,824	86,824
Net fixed assets	1,05,551.47	1,05,566.22	1,05,494.61	1,05,242.82
Depreciation	106.82	121.26	105.53	115.92
Earning per share	64.44	70.92	26.37	16.74



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Our Vision :

Flourishing as an electronic zone by producing different types of telecom and ICT based intelligent products and other consumer related products and reduce the import dependency.

Mission :

- Acting as an auxiliary institution for digitalization of Bangladesh.
- Making proper use of the latest technologies for sustainable environment by building independent Research and Development unit for the welfare of the nation.
- Helping the people of Bangladesh getting full benefit of all smart products.

Objectives :

- To make Bangladesh self sufficient in meeting the requirements of Telephone Exchanges, Telephone Sets and allied products, supply to BTCL and common people, at cost.
- To provide opportunities for acquiring and improving technical know-how through appropriate technology transfer in sophisticated and precision industry, Based on modern lines of management and production control involving high precision machineries and equipment.
- To help the nation to build the Digitalized Bangladesh.
- To supply the Laptop/Notebook/Netbook at a affordable price among the common people to help the country 'Digital Bangladesh.'
- To product of programmable Electrical Meter for the Utility Agencies and common people.
- To reduce import dependence.

Services :

TSS is the only Telecommunication Equipment manufacturer in the country. Presently, TSS is providing the following services:

- Produce Laptop/Netbook/Notebook at a lowest cost
- Produce Digital Caller ID Telephone Sets at affordable price
- Supply, install and maintenance of Digital PABX
- Produce multi-function Digital Electric Meter, Mobile Battery, Mobile Battery Charger etc.

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Values of Organization :

In order to achieve our aspired vision we shall subscribe to the following values:

- Quality in everything we do.
- Live up to our commitments.
- Transparent and fair in all our dealing.
- Take initiative to exceed standards.
- Trust and respect for each other.
- Work as a team.
- Socially responsible.

Present Products:

- "DOEL" Brand Laptop/Netbook/Notebook
- PSTN telephone sets including Steno-telephone sets
- Digital PABX
- Digital Multi Function Electric Meter
- Mobile Battery & Charger
- Maintenance Free Battery

Upcoming Products:

- Tablet PC
- Solar Panel
- Cellular Smart Phone
- ADSL Modem



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Message from the Chairman:



Faizur Rahman Chowdhury

Secretary, MoPT

&

Chairman Board of Directors, TSS

Dear Shareholders, Colleagues

I hereby welcome you all to this 42nd Annual General Meeting and submit the Annual Report containing audited Financial Statements and reports thereon for your consideration and approval.

This is evident from the performance of the Company, under a capable Management with full support and contribution of you all and the Board of Directors that the company is achieving a high degree of prosperity. I also feel obliged to unambiguously mention the other contributors including, but not being limited to, the MoPT, SEC, RJSC, Banks, Financiers, Insures, Distributors, Patrons and the Society at large who consider the Company as their own. The Company is holding high position amongst the peers with outstanding contribution to the society with quality Laptop, Net Book, Telephone set, PABX, Electric Meter etc. All these make the Company a unique one in the Country's Corporate Register.

The growth rate of GDP despite continued recession in the West/Developed economics, is on an average is more than 7% per annum. Investment in diversified telecom business seems to be inevitable for the economic growth of the Country.

I wish sincerely about the prosperity of this Company and strongly believe that its financial growth and market stability would gradually raise it to a reasonably high level in the telecom sector.

Thanking you all with wishes of a peaceful prosperity and good health.

Sd/-

(Faizur Rahman Chowdhury)

Chairman

T.S.S. Board of Director

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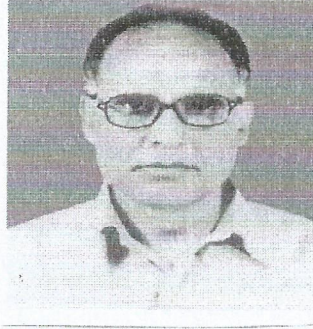
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Message from Managing Director:



Md. Husnul Mahmud Khan
Managing Director

Bismillahir Rahmanir Rahim
Assalamualaikum

Dear Shareholders, Concerned Stakeholders and the dedicated members of TSS team.

It is indeed a great pleasure to welcome you all, on behalf of the Board of Directors, in the 42nd Annual General Meeting of Telephone Shilpa Sangstha (TSS) Limited. I would like to express our heartiest gratitude and sincere thanks for your continuous support and co-operation which, has helped us to achieve the greater success in almost all arenas of our business amid this highly competitive telecommunication sectors. Without your kind collaboration and advice, it would have been simply impossible for us to attain strong footing in the business area.



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Composition of the Board of Directors:

Chairman

Faizur Rahman Chowdhury

Secretary, Ministry of Posts, Telecommunications & Information Technology

Director

Dr. Muhammad Ali Khan

Additional Secretary, Finance. Div.
Ministry of Finance

Muhammad Mahfuzur Rahman

Additional Secretary
Ministry of Posts, Telecommunications &
Information Technology

Md. Shah Newaz

Managing Director,
Bangladesh Telecommunications Co. Ltd.

Md. Gias uddin Ahmed

Managing Director
Teletalk Bangladesh Ltd.

Mr. Nasim Anwar FCA

Member-Council, ICAB

Mr. Md. Husnul Mahmud Khan

Managing Director,
Telephone Shilpa Sangstha Limited



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Management

Md. Husnul Mahmud Khan
Managing Director

Md. Lutfor Rahman
Company Secretary

Md. Abdus Samad
General Manager (P&C)

Md. Abdus Samad
General Manager (A&S)

Md. Miganur Rahma Mollah
DGM(Factory & Marketing)

Md. Motalib Hossian
AGM(Audit)

Biswas Murad Hossian
Deputy Manager (F&C)

S.M. Ikramul karim
AGM(DPX)

Md. Shafiul Alam
AGM(DPX)

Md. Mainuddin kazi
AGM(PSTN)

A.M.M. Rafiqul Islam
AGM(PABX)

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Contact Points:

Contact Points	Address	Phones	E-mail
MD, TSS	Telephone Shilpa Sangstha Ltd. Tongi, Gazipur-1710	880-2-9814747	mdtss@gmail.com
Company Secretary	Dak Bhaban, Room no.7 (1 st flr.), GPO, Dhaka-1000	9568196	lutfor.tss@gmail.com
GM (P&C)	Telephone Shilpa Sangstha Ltd. Tongi, Gazipur-1710	9803105	
GM (A&S)	Do	9801035	
DGM(Factory & Marketing)	Do	9802233	dgmfnm.tss@gmail.com
AGM (Audit)	Do	9802701-	
AGM (DPX)	Do	9801110	shaful.tss@gmail.com
AGM(DPX)	Do	9550399	
AGM (Prefab)	Do	9802324	nurul.tss56@gmail.com
AGM(PABX and BR&L)	Do	9802334	rafique.tss@gmail.com
AGM(PSTN)	Do		kazibasic@gmail.com
DM (F&C)	Do	9802704	tsslfp@gmail.com & murad.h.b@gmail.com



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Company Profile:

Background:

Telephone Shilpa Sangstha (TSS) Limited is a state owned public limited company incorporated under "The Companies Act 1994". It was established back in 1967 as a private limited company with the name of "Telephone Industries Corporation" i.e. (TIC) under a joint venture agreement with M/S Siemens AG, West Germany. The primary purpose of TIC was to manufacture analogue type EMD telephone Exchange equipment and different types of analogue telephone sets. After the independence of Bangladesh, TIC was incorporated in the year 1973 as a public limited company with its present name of "Telephone Shilpa Sangstha (TSS) Ltd." under a fresh agreement with the other part of the Joint Venture M/S Siemens AG, West Germany.

5-C

(Company, Competitors, Customers, Collaborators & Climates) Analysis:

The Company:

Name: Telephone Shilpa Sangstha Limited.

Establishment: 1973

Factory Address: Tongi-1710, Gazipur, Bangladesh

Telephone: +880-2 9814747, 9802324

Fax: +880-2 9812700

E-mail: mdtss@btcl.net.bd, info@tss.com.bd, tss.doel.laptop@gmail.com

URL: www.tss.com.bd ; www.doel.com.bd

Factory Area: 20 acres

Other Land Area: 9 acres

Graduate Engineer: 22

Diploma Engineer: 41

Software Engineer: 13

Marketing Resources: 67

Sales Showrooms: 05



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Branded Products:

- Laptop - “DOEL”
- Digital Electric Meter - “Turag”
- Telephone Sets – “Alaponi”

Production capacity/month:

- DOEL Laptops (4 models): 15,000 units
- Turag Digital Electric Meters: 10,000 units
- Alaponi Telephone Sets: 2,500 sets
- Mobile Battery & Charger: 1,20,000 units

The Competitors:

Every business has to consider its competitors with due importance. The strategy of TSS is not to compete with the world renowned brands, rather to build up local brands and offer the best value for money.

The Customers:

To analyze the customers we must go into the model WHO, WHERE, WHEN and HOW.

WHO:

Customer segmentation is essential to develop a successful branding of TSS products. Being a new product in old and mature consumer market it is very difficult to let the product popular by user satisfaction. There are two major thing we can consider to promote the TSS brand products: one is the mass people’s buying capacity, another is our patriotism.

WHERE:

This is the point where to promote our products. Although the whole nation is our market area to promote our products, yet the Govt. sector might be considered us as our main customers. Also a big part of the general public who want to buy quality goods at an affordable price would constitute a big chunk of our customers.

WHEN:

This is the time frame of branding and promotion. It’s quite possible to promote campaign of our products all year long as our products are locally manufactured/assembled.

HOW:

The most vital point to be considered here are the ways to promote our products. There are lots of ways to adopt the branding strategies like approaching Govt. offices to sell through Direct Purchase method of PPR, deploying direct sales force, using distribution channel partnering model, sales agency module etc.



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The Collaborators:

Being a Govt. company TSS is based on direct Govt. collaborations. This has both positive and negative impacts. Positive impacts are manifested in public faith on genuineness of Govt. products, occasional Govt. help in funding, relatively easy access to Govt./Semi-Govt. customers, legacy corporate honor, customer trust etc. On the other hand, negative impacts can be felt in delay in decision making, lack of flexibility in bureaucratic work procedures, conservative approach in matters of legislative, promotional and investment decisions etc.

Collaborators always play a vital role in growing a company fast to faster, business development without collaborators seems not possible in present corporate world. To choose the perfect and logical collaborators according to business trend is an important task. Considering these factors, since the date of commencement of our business we have had partners in various ways like technology partner, strategic partner and solution partner.

Climates:

“Season drives business” in most businesses. There is a season for all types of businesses except ICT business. Because it’s the road to development. And no environmental circumstances should stand any barrier to business growth or development in ICT industries. Since all products of TSS are directly or indirectly related with ICT, TSS is expected to fare equally well throughout the year.



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Company Structure:

Telephone Shilpa Sangstha Ltd. has incorporated as a public limited company on 2010. The face value of each share Tk.1000.

Shareholders:

In favor of Govt.

S.L No	Owners of Share holders	Quantity(Nos.)
1	Secretary, Ministry of Post and Telecommunications	86,812
2	Additional Secretary, Finance Division, Ministry of Finance	02
3	Joint Secretary, Ministry of Post and Telecommunications	02
4	Managing Directors, BTCL	02
5	Managing Directors, Teletalk Bangladesh Ltd.	02
6	Council Member, ICAB	02
7	Managing Directors, TSS Ltd.	02
	Total	86,824

Nature of Business :

In the past TSS installed different types of T&T Exchange and Equipment. Now TSS is producing assembling diversified product like as Digital Telephone Set, Digital PABX, DOEL Laptop, Netbook, Notebook, Multifunction Energy Meter, Mobile Battery and Mobile Charger etc.

Authorized Capital:

50,00,000 Ordinary Share of Tk. 1000 each	Tk. 500,00,00,000
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Issued, Subscribed & Paid-up Capital:

	Nos of Share	Face Value	Amount(Tk)
In favor of Govt. through Secretary	86,812	1,000	Tk. 8,68,12,000
Directors TSS & JS MoF	2	1,000	2,000
Directors TSS & JS MoPT	2	1,000	2,000
Directors TSS & M.D BTCL	2	1,000	2,000
Directors TSS & M.D TBL	2	1,000	2,000
Managing Directors TSS	2	1,000	2,000
Directors TSS & Council Member	2	1,000	2,000
Total	86,812		8,68,24,000

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Present Activity:

Now TSS is producing/assembling diversified product like as Digital Telephone Set, Digital PABX, DOEL Laptop, Netbook, Notebook, Multifunction Energy Meter, Mobile Battery and Mobile Charger etc. TSS is serving the nation through the following sales service centre:

- TSS Gate, Tongi, Gazipur
- Ramna Sales Centre, BTCL Ramna exchange, Dhaka
- Khulna Sales Centre(BTCL Office), Khulna
- Rangpur Sales Centre(BTCL Office), Rangpur
- Sylhet Sales Centre(BTCL Office), Sylhet
- Barisal Sales Centre(BTCL Office), Barisal
- Chittagong Sales Centre(BTCL Office), Chittagong

Activity of TSS:

In the year 2012-2013 TSS has manufactures/assemble the following products/sale:

1.1 Digital Telephone Set:

TSS is supplying the Digital Telephone Set, Caller ID. Steno Set and Cordless Set, in the different govt. Semi govt, non govt, organization through BTCL and General people. At present about 5,021 (Five Thousand Twenty one) Telephone Set and 6,975 (Six Thousand Nine Hundred Seventy Five) Cordless Telephone Set has in the store.

1.2 Digital PABX:

TSS is installing different types of PABX of world brand NEC and KAREL. TSS is serving the govt. semi-govt. Autonomous body etc. The following are the major selected organization.

- Bangladesh Bank,
- Civil Aviation Authority
- Bangladesh Police Head Quarter
- Banga Bhaban
- Cabinet Division
- Ministry of Public Administration
- Land ministry etc.



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1.3 Digital Electric Meter:

TSS is assembling/Producing Digital Multifunction Electric meter for proper management of load shading since 2011. Now TSS is assembling/Producing the single phase, Three phase, LTCT/KIT, 110 volt HT metering unit etc.

The features of the Electric Meter's are as follows:

- This meter records the consumption of consumer preceding 12 months which is easily readable. As a result the complain of consumer is easily may solved.
- Voltage, Current and power factor may be watch easily. As a result essential data may collect for load management.
- A yellow color LED light will be visible as a awarful signal when an unauthorized person will open the terminal cover. As a result the tempering case may be detect definitely with date.
- In the meantime TSS has sale the single phase and Three phase meter to DESCO and DPDC about 8(Eight) core Taka.

1.4 Mobile Battery Charger:

TSS is assembling/Producing Mobile battery and Charger since 2011. The features of the Mobile battery and Charger are as follows:

SL No	Name of the Product	Quantity	Price(per unit)
1	Battery	1,83,877	170
2	Charger	97,477	60

1.5 ONU (Optical Network Unit) Project:

TSS is installing ONU exchange at different side of BTCL. More than 43 Nos. ONU exchange has installed which value is about 50 (Fifty) core Taka.

1.6 BTS Tower of Teletalk Bangladesh Limited:

TSS constructing the (BTS) Tower of Teletalk Bangladesh Ltd. of 2G and 3G project at different side in Bangladesh. In the meantime more than 230 Nos. BTS Tower has constructed of 2G and 3G project.

1.7 Doel Laptop:

DOEL - First assembled Laptops of Bangladesh

TSS is the nest where DOEL was born. It's powered by Bangladesh Govt. TSS has chalked out a complete business plan in order to see DOEL a complete brand Laptop having A-Z solution for the new generation of digital Bangladesh. Our target is not competing with the renowned global brand laptops, but to overcome some of our major drawbacks like poverty, education system, healthcare with our own



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brand laptops to let our generation stand alone with dignity and to materialize the vision of “Digital Bangladesh”.

The first and foremost targets of DOEL are:

- Providing cost effective DOEL Laptops to educational intuitions;
- Providing cost effective DOEL Laptops to every individual student;
- Ensuring value for money of the Bangladeshi people through cost effective DOEL Laptops vs. world’s renowned branded laptop computers;
- Ensuring better after sales support;

How DOEL was born:

The present government came to power on 6 January, 2009 with a huge public mandate with the pledge of building a "Digital Bangladesh". Our dynamic and Hon'ble Prime Minister Sheikh Hasina had been keeping consistent focus on this election manifesto by taking various coherent steps in this regard. Getting instructions from our Prime Minister, the Hon'ble Minister in charge of Post and Telecommunication ministry, Md. Rajiuddin Ahmed Raju had been working heart and soul to fulfil the political commitment and promise of Prime Minister to digitalize the country as early as possible. While attending a meeting of the World Telecom Policy Forum in Portugal from 24 to 27 April, 2009, our Hon'ble Minister noticed that Laptops/Netbooks were being sold there at a very cheap rate - as low as US\$100 per piece. Hon'ble Minister informed the matter to the Hon'ble Prime Minister who instantly promised to provide Laptops/Netbooks to the common people of Bangladesh at an affordable price. The Hon'ble Prime Minister told that earlier the call rates of different mobile phone companies were very high, but after the state-owned mobile phone company Teletalk Bangladesh Ltd. commenced its operation, the same call rates come down drastically to become comparable to other neighbouring countries. In the same way, the Hon'ble Prime Minister firmly believed that under patronization of the present government, it would surely be possible to provide Laptops/Netbooks to the common people at a cheap rate, and that would be tremendously helpful in building 'Digital Bangladesh'.

Thus, inspired by the Hon'ble Prime Minister, the Hon'ble Minister in charge of MoPT Mr. Rajiuddin Ahmed Raju conveyed this idea to the management of Telephone Shilpa Sangstha Limited (TSS) and instructed to explore the possibilities of manufacturing /assembling Laptops/Netbooks in TSS. With proper guidance and assistance and active support and help from different institutions and individuals like the Ministry of Post and Telecommunication, BUET, Bangladesh Computer Council, Parliamentary Standing

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Committee on MoPT, BTCL, Teletalk Bangladesh Ltd. and so on, in just two years time, “DOEL” was successfully launched by the Hon’ble Prime Minister Sheikh Hasina on a digital day of 10/11/11.

Presently TSS is only assembling Laptops/Netbooks, but it is expected that in near future, it will also be possible to start production of many parts of laptops in TSS. In this way TSS will try to build itself as a model Electronics Zone and help Bangladesh become like Singapore, South Korea, Japan, Hong Kong so that our country can boastfully introduce herself as one of the developed countries in the world.

A work order regarding supply of 20,000 Nos Laptop has been received from Moushi - Educational University. Five items of DOEL Laptop's price are given below:

SL No.	Particulars	Amount
1	Primary Model 2102	10,500
2	Basic Model 0703	15,500
3	Standard Model 2603	20,000
4	Advance Model 1612	28,500
5	Advance 1612 i-3	42,300

1.8 Maintenance Free Battery Assembling plant:

TSS has sign agreement with Royal Bangle Battery Ltd. to supply the Battery at different side of BTS Tower of Teletalk Bangladesh Ltd. The maintenance free battery is contributing a significant role for BTS Tower for its feature ie maintenance free.

Profit and Loss statement:

TSS state owned commercial enterprise. The profit and loss statement of this organization are as follows:

S.L No	Financial Year	Income (In Lac)	Expenses (In Lac)	Profit/Loss (In Lac)
1	2007-2008	1052.07	1125.00	(73)
2	2008-2009	834.99	837.03	(2.04)
3	2009-2010	1433.50	1418.97	14.53
4	2010-2011	3462.80	3439.90	22.90
5	2011-2012	5869.27	5807.70	61.57
6	2012-2013	10508.31	10452.36	55.95



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Manpower:

In the year 2006-2007 TSS has retrenched 210 NOS employee. After assembling the diversified product like as DoEL Laptop, Electric Meter, Mobile battery and Charger etc. Total 100 employees have been appointed as a new employee. Different Types of employees are as follows:

SL No	Particulars	Officers	Employees	Total Manpower
1	TSS	33	172	205
2	DoEL Laptop Plant	9	51	60
3	Mobile Battery and Charger Plant	3	25	28
4	Digital Meter Plant	2	7	9
Sub Total (Three hundred two only)				302



Telephone Shilpa Sangstha Limited

A State owned company.

Tongi, Gazipur-1710, Bangladesh. Phone : 9814747, 9802701-06

Fax : 880-2-9812700, Web Site : www.tss.com.bd

E-mail : mdtss@btcl.net.bd / info@tss.com.bd

Directors' Report:

Dear Shareholders

The Board of Directors of Telephone Shilpa Sangstha Ltd. at the 42nd Annual General Meeting of the Company. We also take pleasure in presenting the operational activities and the audited financial statements for the year ended on 30 June 2013 together with the report of the auditors thereon.

Economic scenario and prospect of the industry:

The economy of Bangladesh has grown at the rate higher than 7% p.a. over the past few years and the country still remains over-populated with high level of poverty. While more than half of the GDP belongs to the service sector, nearly two-third of Bangladeshi populations are employed in the agriculture sector, with rice as the most important produce, Remittances from Bangladesh workings overseas, mainly in the Middle East and East Asia as well as exports of garments are the main sources of foreign exchange earning. Economic growth is rather indigenous with slow growth in foreign direct investment.

Bangladesh's predominantly agricultural economy depends heavily on an erratic monsoonal cycle, with periodic flooding and drought, Although improving at a very fast rate, infrastructure to support transportation, communication, power supply and water distribution is yet to be developed. Bangladesh is poor in its reserves of oil, but recently there was huge development in coal mining. While the service sector has expanded rapidly last two decades, country's industrial base remains narrow. The country's main endowments include its vast human resource base, rich agricultural land, relatively abundant water and substantial reserves of natural gas which are depleting quickly and may require switching over to exploring of other natural resources.

In the era of globalization, communication has become the most significant factor. IN a densely populated country like Bangladesh, telecommunication can play a vital role to boost the economy and social level of the people.

However the Bangladesh telecommunication industry is rapidly growing but it is still far behind in comparison to telecommunication industries of some South Asian neighbors. Unfavorable growth conditions due to weak marketing strategic in rural area and poor infrastructure age hampering the growth of telecommunication industry in the country. Government is taking remarkable steps to bring internet service cost to an affordable range for the common people. Digitization of Bangladesh is very important for the nation and TSS is helping the nation to be digitalized by supplying Laptop, Netbook, Notebook etc. at affordable price.

Annual Report 2012-2013



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Subject : Notice of the 42nd Annual General Meeting of TSS.

Notice is hereby given that the 42nd Annual General Meeting of the Shareholders of Telephone Shilpa Sangstha (TSS) Ltd., Tongi, Gazipur will be held on 21.09.2014 at 1700 hours in the Conference Room of TSS Ltd., Tongi, Gazipur to transact the following business:

Agenda # 01 To receive and adopt the Directors' Report & the audited financial statements for the year ended on 30 June 2013 together with Auditors' thereon.

Agenda # 02 To appoint auditors for the FY 2013-2014 and fix their remuneration.

Agenda # 03 To transact any other business with the permission of Chair.

All the shareholders are requested to kindly make it convenient to attend the AGM.

By order of the Board

Sd/-

Dated: Dhaka
5th September 2014

(Md. Lutfor Rhaman)
Secretary
TSS Board of Directors
Cell: 01552443949

Annual Report 2012-2013



Telephone Shilpa Sangstha Limited

A State owned company.

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E-mail : mdts@btcl.net.bd / info@tss.com.bd

Financial Results:

During the year ended on 30 June 2013 the Company had earned comprehensive income of taka 55.95 Million. A brief result is shown as under:

Particulars	Amount (figures are in Million) As on 30 June 2013
Revenue	10,360.17
Direct Operating Cost	9,943.25
Gross Profit	416.91
Operating expense	457.31
Operating Profit/(Loss)	(40.39)
Other Incomes	148.14
Net Profit before tax	107.75
Income tax expense	51.80
Net Profit after tax	55.95
Retain earning	(642.59)

Fairness of Financial statements and Accounting policies:

It is the responsibility of the directors as per the provisions of the Companies Act, 1994 to prepare financial statements for each year. The financial statements and other financial information included in this report fairly present all material respects, the financial conditions. Results of operation, cash flow statements and the changes in equity of the company for the year under review:

The company has used appropriate accounting policies in preparation of these financial statements supported by reasonable and prudent judgments and estimates as necessary. International Accounting Standards, as applicable in Bangladesh have been followed in preparation of these financial statements in compliance with the relevant accounting policies.



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E-mail : mdtss@btcl.net.bd / info@tss.com.bd

Auditor:

K.M. HASAN & Co.

Chartered Accountants

Home Town Apartment (8th & 9th Floor)

87, New Eskaton Road, Dhaka-1000

Phone: 9351457,9351564

Fax: 88-02-9345792

Email: Kmh_co@yahoo.com

Web: www.kmhasan.com

Bankers:

1. Sonali Bank Ltd. BB Avenue, Dhaka.
2. Sonali Bank Ltd. Custom House, Dhaka.
3. Sonali Bank Ltd. Station Road, Tongi, Gazipur.
4. Mercantile Bank Ltd. Elephant Road Branch, Dhaka.
5. Basic Bank Ltd. Dilkhusa, Dhaka.
6. Premier Bank Ltd. Kakrial, Dhaka

Consultation :

The Board of Directors would like to place on record its deep gratitude to all the shareholders for their cooperation and support towards development of the Company.

The Board of Directors would like to express its grateful appreciation for the assistance and cooperation received from the Ministries of Posts & Telecommunications, Finance, Commerce, Science & ICT, Bangladesh Telecommunication Regulatory Commission, Bangladesh Telecommunications Co. Limited, Teletalk Bangladesh Limited.



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants
M An Independent Member Firm of
McMillan Woods International, UK

Hometown Apartments (8th & 9th Floor)
87, New Eskaton Road, Dhaka-1000
Phone : 9351457, 9351564, 8358817
Fax : 880-2-9345792
E-mail : kmh_co@yahoo.com
Website : www.kmhasan.com

AUDITORS' REPORT
TO THE SHAREHOLDERS OF TELEPHONE SHILPA SANGSTHA LIMITED

We have audited the accompanying financial statements of **TELEPHONE SHILPA SANGSTHA LIMITED**, which comprise the Statement of Financial Position as at 30 June 2013 and the Statement of 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 of **TELEPHONE SHILPA SANGSTHA LIMITED** is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

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

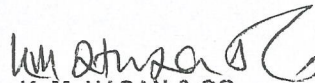
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **TELEPHONE SHILPA SANGSTHA LIMITED** as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the relevant requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- 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;
- 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;
- the company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the company's business.

Dated, Dhaka
02 November 2014


K. M. HASAN & CO.
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

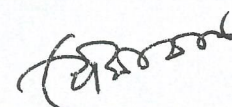
ASSETS	Notes	Amount in Taka	
		2013	2012
Non-current assets			
Fixed assets	16	10,555,147,194	10,556,622,766
Investment in TSS New Plant	17	66,340,655	66,740,654
Investment in Fixed Deposit	18	244,134,806	232,672,860
Total non-current assets		10,865,622,655	10,856,036,280
Current assets			
Inventories	19	375,172,448	229,449,983
Sundry Debtors	20	26,537,768	47,666,552
Advance, deposit & prepayments	21	264,467,626	182,543,689
Cash and bank balances	22	70,079,417	279,006,228
Total current assets		736,257,259	738,666,452
Total assets		11,601,879,914	11,594,702,732
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23	86,824,000	86,824,000
Share money deposit account	24	398	398
Capital reserve	25	1,478,220	1,478,220
General reserve fund	26	62,254,315	60,018,157
Revaluation reserve	27	10,201,172,009	10,201,172,009
Depreciation reserve fund	28	585,362,694	572,669,970
Accumulated surplus/(loss)		(64,259,482)	(70,080,964)
Total capital & reserves		10,872,832,154	10,852,081,790
Non-current liabilities			
Current liabilities			
Payable accounts with BTCL & Others	29	513,716,647	551,161,677
Creditors for goods supplied	30	96,249,241	85,544,841
Creditors for expenses	31	9,569,724	3,373,327
Creditors for other finance	32	57,645,768	55,854,803
Provision for corporate tax	33	51,866,380	46,686,294
Total current liabilities		729,047,760	742,620,942
Total equity and liabilities		11,601,879,914	11,594,702,732

The annexed Notes form an integral part of these financial statements



Secretary

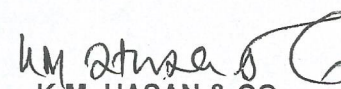
Director



Managing Director

Signed in terms of our report of even date annexed

Dated, Dhaka
02 November 2014


K.M. HASAN & CO.
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2013

		<u>Amount in Taka</u>	
		<u>2013</u>	<u>2012</u>
SALES/REVENUE	34	1,036,017,153	560,000,430
LESS: COST OF GOODS SOLD:	35	994,325,399	544,827,522
GROSS PROFIT/(LOSS)		<u>41,691,754</u>	<u>15,172,908</u>
LESS: OPERATING EXPENSES:			
Administrative expenses	36	45,731,305	33,142,493
OPERATING PROFIT/(LOSS)		<u>(4,039,551)</u>	<u>(17,969,585)</u>
NON-OPERATING INCOME			
Commission received		-	2,146,234
Bank Interest received		11,476,138	22,931,435
Sale of tender documents		48,100	232,500
Miscellaneous received		3,290,681	1,616,753
		<u>14,814,919</u>	<u>26,926,922</u>
NET PROFIT/(LOSS) BEFORE TAX		<u>10,775,368</u>	<u>8,957,337</u>
Provision for income tax @ 0.50% on turnover		5,180,086	2,800,002
NET PROFIT/(LOSS) AFTER TAX		<u>5,595,282</u>	<u>6,157,335</u>

The annexed Notes form an integral part of these financial statements

Bahman

Secretary

Director

K.M. Hasan

Managing Director

Signed in terms of our report of even date annexed.

Dated, Dhaka
02 November 2014

K.M. Hasan
K.M. HASAN & CO
Chartered Accountants

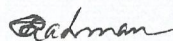
TELEPHONE SHILPA SANGSTHA LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

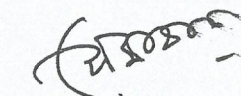
Amount in Taka

Particulars	Share capital	Share money deposit	Capital reserve	General reserve fund	Revaluation reserve	Depreciation reserve fund	Accumulated surplus/(loss)	Total
Balance as at 01 July 2012	86,824,000	398	1,478,220	60,018,157	10,201,172,009	572,669,970	(70,080,964)	10,852,081,790
Interest on FDR	-	-	-	2,236,158	-	2,236,158	-	4,472,316
Depreciation provided during the year	-	-	-	-	-	10,682,766	-	10,682,766
Adjustment during the year	-	-	-	-	-	(226,200)	-	(226,200)
Net profit after tax	-	-	-	-	-	-	5,595,282	5,595,282
Prior year's adjustment	-	-	-	-	-	-	226,200	226,200
Balance as at 30 June 2013	86,824,000	398	1,478,220	62,254,315	10,201,172,009	585,362,694	(64,259,482)	10,872,832,154



Secretary

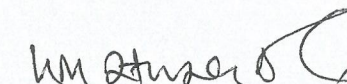
Director



Managing Director

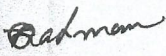
Signed in terms of our report of even date annexed.

Dated, Dhaka
02 November 2014


K. M. HASAN & CO.
Chartered Accountants

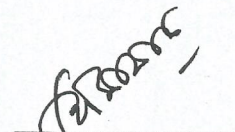
TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2013

A Cash Flows From Operating Activities :	Amount in Taka	
	2013	2012
Collection from customers & others	1,065,164,476	579,820,678
Payment to suppliers and operating expenses	(1,275,773,608)	(453,517,159)
Net Cash From Operating Activities	(210,609,132)	126,303,519
B Cash Flows From Investing Activities :		
Purchase of fixed assets	(32,500)	(7,160,841)
Adjustment of fixed assets	1,508,072	-
Investment in/Encashment of FDR (a)	(193,250)	119,598,082
Received from investment/Investment in new plant	399,999	(2,458,620)
Net Cash From Investing Activities	1,682,321	109,978,621
C Cash Flows From Financing Activities :		
Increase/Decrease of Cash & Cash Equivalent (A+B+C)	(208,926,811)	236,282,140
Add : Opening balance of cash & cash equivalent	279,006,228	42,724,088
Closing balance of Cash & Cash Equivalent	70,079,417	279,006,228
(a) Investment in/Encashment of FDR:		
<u>Encashment in 2013</u>	<u>Encashment in 2012</u>	
FDR No. 11841100016251	FDR No. 0071078/411000107	90,395,500
FDR No. 11841200007674		274,598,082
Re-investment		15,911,250
Net inflows/outflows during the year		(106,500,000)
		(193,250)
		119,598,082



Secretary

Director



Managing Director

Signed in terms of our report of even date annexed.

Dated, Dhaka
02 November 2014


K. M. HASAN & CO.
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
Tongi, Gazipur
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2013

1 INTRODUCTION:

1.1 Legal form of the company:

TELEPHONE SHILPA SANGSTHA LIMITED is a public limited company incorporated in Bangladesh under the Ministry of Posts and Telecommunications.

1.2 Nature of Business Activities

The principal activities of the company are manufacturing Telephone sets, Telephone exchange, Laptop Computer etc.

2 STATEMENT OF COMPLIANCE WITH LAWS AND REGULATIONS:

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

3 STATEMENT OF COMPLIANCE OF BANGLADESH FINANCIAL REPORTING STANDARDS:

The financial statements have been prepared in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Financial Reporting Standards (IFRSs).

4 STRUCTURE, CONTENT AND PRESENTATION OF FINANCIAL STATEMENTS:

Being the general purpose of financial statements, the presentation of these financial statements are in accordance with the guidelines provided by BAS 1: Presentation of Financial Statements/and the Securities and Exchange rules 1987 requirements.

5 REPORTING PERIOD:

The financial period of the company covered one year from 01 July 2012 to 30 June 2013.

6 APPROVAL OF FINANCIAL STATEMENTS:

The financial statements were approved by the Board of Directors on 02 November 2014.

7 ACCRUED EXPENSES AND OTHER PAYABLES:

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

8 GOING CONCERN:

The company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continue to adopt going concern basis in preparing the financial statements.

9 FINANCIAL INSTRUMENTS:

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables are shown at transaction cost.

10 STATEMENT OF CASH FLOWS :

The Statement of Cash Flows has been prepared in accordance with the requirements of BAS 7: Cash Flow Statement, under the Direct Method.

11 EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS:

In compliance with the requirements of BAS 10: Events after the date of the financial statements that provide additional information about the company's position at the balance sheet date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

12 SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies in respect of material items of financial statements have been set out below:

12.1 Accounting Convention & Basis :

The financial statements have been prepared under historical cost convention following Bangladesh Accounting Standards (BASs).

12.2 Fixed assets:

Fixed assets have been stated at cost basis. In the year 2009-10 TSS BOD approved the Assets Revaluation. In the year Assets Schedule is prepared by considering approved assets revaluation. Depreciation has been charged for the year on diminishing balance method over the estimated useful life of the assets.

12.3 Revenue recognition policy

In compliance with the requirements of BAS 18: Revenue, revenue receipts from customers against sales are recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

12.4 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition in compliance with the requirements of BAS 16: Property, Plant and Equipment.

Depreciation on fixed assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is calculated on diminishing balance method in order to write off such assets over the estimated useful lives of the assets.

12.5 Inventories

Stock of Finished Goods

Stock of Finished Goods have been valued at actual proportional conversion cost.

Stock of Raw Materials

Stock of Raw Materials and Stores and Spares have been valued at actual cost price.

12.6 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

13 CONTINGENT LIABILITIES:

There was no contingent liability as on 30 June 2013.

14 CAPITAL EXPENDITURE COMMITMENT:

There was no material capital expenditure authorized by the Board and not contracted for the year ended 30 June 2013.

15 GENERAL:

i) Figures have been rounded off to the nearest Taka.

ii) Arrangement:

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

TELEPHONE SHILPA SANGSTHA LIMITED
Tongi, Gazipur

16 FIXED ASSETS :

Particulars	ORIGINAL COST				Dep. Rate %	DEPRECIATION			WDV as on 30.06.2013
	Balance as on 01.07.2012	Addition during the year	Sales/ Adjustment	Balance as on 30.06.2013		Charged during the year	Sales/ Adjustment	Balance as on 30.06.2013	
LAND & LAND DEVELOPMENT									
Factory Area	4,882,400,000	-	-	4,882,400,000	0%	-	-	-	4,882,400,000
Residential Area									
Aauchpara	1,351,303,747	-	-	1,351,303,747	0%	-	-	-	1,351,303,747
Uftara	4,134,510,000	-	-	4,134,510,000	0%	-	-	-	4,134,510,000
	10,368,213,747	-	-	10,368,213,747		-	-	-	10,368,213,747
BUILDING CONSTRUCTION									
Roads & Walls	12,659,714	-	-	12,659,714	5%	1,778,197	544,076	-	10,337,441
Sewerage & Drains	4,504,279	-	-	4,504,279	5%	627,337	193,847	-	3,683,095
Factory Building	82,560,428	-	72	82,560,356	5%	10,846,285	3,585,704	-	68,128,367
Bonded Warehouse	1,219,226	-	-	1,219,226	5%	173,892	52,267	-	993,067
Residential Building	16,495,000	-	-	16,495,000	5%	2,352,600	707,120	-	13,435,280
Prayer Hall	3,600,000	-	-	3,600,000	5%	513,450	154,328	-	2,932,222
Factory Elec. Installation	18,314,177	-	-	18,314,177	5%	2,568,063	787,306	-	14,958,808
	139,352,824	-	72	139,352,752		18,859,824	6,024,648	-	114,468,280
PLANT, MACHINERY & EQUIPMENT									
Production Machinery	4,673,116	-	-	4,673,116	18%	2,096,510	463,789	-	2,112,817
TOOLS, EQUIPMENT & MOULDS									
Special tools	6,784,302	-	-	6,784,302	15%	2,617,893	624,961	-	3,541,448
Testing equipment	948,829	-	-	948,829	15%	366,129	87,405	-	495,295
Moulds	14,714	-	-	14,714	30%	9,667	1,514	-	3,533
Drawing equipment	8,687	-	-	8,687	15%	3,352	800	-	4,535
Gen. Machinery equipment	69,335	-	-	69,335	15%	26,356	6,447	-	36,532
Work Shop equipment	81,001	-	-	81,001	15%	31,256	7,462	-	42,283
Equipment of PSTN Plant	10,820,390	-	-	10,820,390	10%	1,082,039	973,835	-	8,764,516
	18,727,258	-	-	18,727,258		4,136,632	1,702,424	-	12,888,142

	12,661,741	-	12,661,741	20%	5,832,074	1,365,933	-	7,199,007	5,463,734
Motor Vehicles									
OFFICE EQUIPMENT									
Office Machinery Equipment	2,562,910	-	2,562,910	15%	828,416	260,174	-	1,088,590	1,474,320
Computer	3,109,895	32,500	3,142,395	15%	1,089,551	307,927	-	1,397,478	1,744,917
	5,672,805	32,500	5,705,305		1,917,967	568,101	-	2,486,068	3,219,237
FURNITURE & FIXTURES									
Office furniture	1,446,601	-	1,446,601	10%	348,865	109,774	-	458,639	987,962
Residential furniture	192,661	-	192,661	10%	52,212	14,045	-	66,257	126,404
Electric fans	117,927	-	117,927	10%	31,441	8,649	-	40,090	77,837
Air conditioner	4,567,935	-	4,567,935	15%	763,196	344,511	226,200	881,507	2,178,428
Canteen equipment	52,854	-	52,854	15%	10,048	6,421	-	16,469	36,385
Residential Elect. Equipment	77,714	-	77,714	15%	29,988	7,159	-	37,147	40,567
Gas Installation	121,272	-	121,272	10%	32,865	8,841	-	41,706	79,566
Telephone installation	361,828	-	361,828	10%	93,259	26,857	-	120,116	241,712
Fire Fighting equipment	226,012	-	226,012	10%	24,330	20,168	-	44,498	181,514
Lift	154,623	-	154,623	10%	41,903	11,272	-	53,175	101,448
Supply Box	1,183	-	1,183	20%	577	121	-	698	485
Medical Appliances	413	-	413	15%	160	38	-	198	215
Books	252	-	252	10%	68	18	-	86	166
	7,321,275	-	7,321,275		1,428,912	557,874	226,200	1,760,586	4,052,689
As on 2012-2013	10,556,622,766	32,500	10,555,147,194		34,271,979	10,682,766	226,200	44,728,548	10,510,418,646
As on 2011-2012	10,549,461,925	7,160,841	10,556,622,766		22,145,621	12,126,354	-	34,271,978	10,522,350,788

Amount in Taka

As at 30 June

2013 2012

17 INVESTMENT IN NEW PLANT :
 Mobile Battery Plant
 TSS-ADMI Digital Meter Plant
 Laptop Plant

16,906,203	17,306,202
10,533,462	10,533,462
38,900,990	38,900,990
66,340,655	66,740,654

18 INVESTMENT IN FIXED DEPOSIT:

TELEPHONE SHILPA SANGSTHA LIMITED
Tongi, Gazipur
 Schedule of Investment in Fixed Deposits
 As at 30 June 2013

Sl. No.	FDR No.	Bank	Branch	Investment		Interest Accrued: 2012-13			Net Interest Accrued	30th June '13 Fund	Maturity Date	Interest Rate
				Date	Principal	Total	IT & Other	Net adj.				
Depreciation Fund :												
1	300000001	Sonali Bank Ltd.	Station Road, Tongi	21/06/2011	5,133,546	-	-	734,336	-	4,399,210		12.00%
2	10255002311	Sonali Bank Ltd.	B.B.A. Corporate	16/10/2010	34,212,533	2,484,620	248,462	2,364,597	2,236,158	34,084,094		12.00%
General Reserve Fund :					39,346,079	2,484,620	248,462	3,098,933	2,236,158	38,483,304		
3	10255002328	Sonali Bank Ltd.	B.B.A. Corporate	17/10/2008	34,212,533	2,484,620	248,462	2,364,597	2,236,158	34,084,094		12.00%
General Fund :					34,212,533	2,484,620	248,462	2,364,597	2,236,158	34,084,094		
4	11,841,200,007,645	Mercantile Bank Ltd.	Elephant Road	22/09/2011	52,807,498	6,787,231	678,723	5,000	6,113,508	58,921,006		11.25%
5	011841100016921	Mercantile Bank Ltd.	Elephant Road	09/11/2012	73,000,000	7,034,370	941,093	-	6,093,277	79,093,277		10.75%
6	011841100017487	Mercantile Bank Ltd.	Elephant Road	02/11/2013	2,000,000	62,500	9,375	-	53,125	2,053,125		11.00%
7	11,841,300,009,621	Mercantile Bank Ltd.	Elephant Road	27/03/2014	8,000,000	-	-	-	-	8,000,000		11.50%
8	11,841,400,000,011	Mercantile Bank Ltd.	Elephant Road	27/03/2014	6,000,000	-	-	-	-	6,000,000		12.50%
9	11,841,200,008,371	Mercantile Bank Ltd.	Elephant Road	27/03/2014	17,500,000	-	-	-	-	17,500,000		11.25%
					159,307,498	13,884,101	1,629,191	5,000	12,259,910	171,567,408		
As at 30 June 2013					232,866,110	18,853,341	2,126,115	5,468,530	16,732,226	244,134,806		
As at 30 June 2012					222,553,202	11,266,287	1,146,629	-	10,119,658	232,672,860		

TELEPHONE SHILPA SANGSTHA LIMITED

Tongi, Gazipur

		<u>Amount in Taka</u>	
		<u>As at 30 June</u>	
		<u>2013</u>	<u>2012</u>
19	INVENTORIES :		
	Non-ferrous material	1,722,651	1,722,651
	Moulding material	10,167,390	10,167,390
	Cables & Wire(L)	2,130,511	2,130,511
	Direct supply	24,034,128	24,034,128
	General O/H material	(880,333)	(509,159)
	General tools	2,042,134	2,042,134
	Magnetic card phone A/C	5,778,222	5,778,222
	Chip type card phone A/C	4,021,356	4,021,356
	Goods in transit	31,037,851	22,774,453
	Other material laptop	23,137,600	23,137,600
	Parts PSTN	9,028,250	9,028,250
	Finished goods	262,952,188	125,122,447
	Revenue Stamp	500	-
		375,172,448	229,449,983
		375,172,448	229,449,983
20	SUNDRY DEBTORS :		
	Claims on BTCL Mtc. Region.	4,089,038	4,740,790
	Phone Card A/C (GPO)Chiptype	4,465,114	4,465,114
	Phone Card A/C (GPO)Magnetic	3,461,269	3,461,269
	Sher-e-Bangla Sales Centre (T.set & Spare)	(123,328)	(115,167)
	Ramna Sales center (Phone card)	27,183	(8,027)
	Sales center Azampur	8,450	(4,550)
	TSS Sales Centre	(125,619)	(86,675)
	Claims on insurance	332,520	-
	Claims on others	14,396,400	35,206,636
	Claims (miscellaneous)	6,741	7,162
		26,537,768	47,666,552
		26,537,768	47,666,552

		<u>Amount in Taka</u>	
		<u>As at 30 June</u>	
21	ADVANCE, DEPOSIT & PREPAYMENTS :	2013	2012
	Advance to suppliers	40,241,648	12,302,219
	Security money to suppliers (Note 21.1)	2,337,191	2,337,191
	Advance income tax paid	86,081,036	84,954,746
	Adv. To Techno Trade Engr. Ltd	78,331,651	51,868,013
	Laptop Plant	32,387,666	19,830,812
	Pay advance	366,609	410,664
	Travelling advance	15,345	29,260
	Canteen	25,480	589,240
	Advance to dispatcher	400	400
	Advance revenue stamp	(217)	(1,937)
	New round up	1,528	1,505
	Union subscription	(65)	(65)
	Bank guarantee	22,804,732	8,994,530
	Solar panel	51,000	51,000
	TSS - RBBL Battery Ltd	495,450	45,000
	Advance TSS ADMI Plant	(400,000)	-
	VAT Current Account	128,717	-
	Miscellaneous advance	1,599,455	1,131,111
		<u>264,467,626</u>	<u>182,543,689</u>

21.1 **Security money to suppliers :**

<u>Name of the party</u>	<u>Year</u>		
Defence savings certificate	1973-74	1,000	1,000
Dhaka Electric Supply	1970-71	11,757	11,757
AOTR	1973-74	500	500
Titas Gas	1990-91	74,410	74,410
Bangladesh Oxygen Ltd.	1988-89	59,148	59,148
Gulshan Service Station	1987-88	25,000	25,000
Sr. A. O. Collection (Tender earnest money)	1992-93	150,850	150,850
Director Procurement (Security money-fax machine)	1996-97	272,026	272,026
Gulshan Service Station		25,000	25,000
Civil Aviation Authority of Bangladesh		1,717,500	1,717,500
		<u>2,337,191</u>	<u>2,337,191</u>

		<u>Amount in Taka</u>	
		<u>As at 30 June</u>	
22	CASH & BANK BALANCES :	<u>2013</u>	<u>2012</u>
	Cash in hand	1,478,154	349,839
	<u>Cash at bank :</u>		
	Janata Bank, Tongi C/A	12,804	13,954
	Janata Bank, Tongi STD	4,850	48,487
	Sonali Bank, Station Road C/A	(1,272,876)	1,089,691
	Sonali Bank, Station Road STD	24,836,898	3,014,794
	Sonali Bank, B B Avenue C/A	17,192	1,745
	Sonali Bank, B B Avenue STD	118,030	296,172
	Sonali Bank, Kurmitala C/A	385,290	1,072
	Sonali Bank, Kurmitala STD	272,019	266,237
	Premier Bank Ltd. STD	180,820	174,845
	Mercantile Bank, ER Branch	43,106,188	176,201,050
	Mercantile Bank, CD (Laptop)	667,912	97,846,024
	Basic bank	362,500	1,673,116
	Mercantile bank CD	(1,029,388)	(2,909,820)
	Dormant Bank Accounts (Note 22.1)	939,024	939,024
		68,601,263	278,656,389
		70,079,417	279,006,228

22.1 Dormant Bank Accounts

Janata Bank Ltd, Ramna branch (code 1102)	73,765	73,765
Janata Bank Ltd, Ramna branch (code 1104)	24,548	24,548
Jamuna Bank Ltd, Shantinagar branch (code 1120)	599,296	599,296
Sonali Bank Ltd, Station Rd branch (code 1121)	6,536	6,536
Janata Bank Ltd, Phone card sales (code 1136)	22,751	22,751
Sonali Bank Ltd, Phone card sales (code 1137)	72	72
Pubali Bank Ltd, Phone card sales (code 1138)	3,587	3,587
Rupali Bank Ltd, Phone card sales (code 1139)	1,119	1,119
Uttara Bank Ltd, (code 1140)	82,109	82,109
AB Bank Ltd, (code 1141)	12,543	12,543
Eastern Bank Ltd, (code 1142)	112,698	112,698
	939,024	939,024

		<u>Amount in Taka</u>	
		<u>2013</u>	<u>2012</u>
23	SHARE CAPITAL :		
	Authorized :		
	5,000,000 Ordinary Shares of Tk 1,000 each	<u>5,000,000,000</u>	<u>5,000,000,000</u>
	Issued, Subscribed and Paid up :		
	The paid-up capital of the company has been contributed by the following persons/Organizations :		
	Shareholders:	<u>No's of Share</u>	<u>Face Value</u>
	GoB through Secretary	86,812	1,000
	Director TSS & JS MoF	2	1,000
	Director TSS & JS MoPT	2	1,000
	Director TSS & M.D BTCL	2	1,000
	Director TSS & M.D TBL	2	1,000
	Managing Director TSS	2	1,000
	Director TSS & Council Member ICAB	2	1,000
		<u>86,824</u>	
		<u>86,824,000</u>	<u>86,824,000</u>
24	SHARE MONEY DEPOSIT ACCOUNT :		
	Share money deposit	<u>398</u>	<u>398</u>
25	CAPITAL RESERVE :		
	Opening balance	<u>1,478,220</u>	<u>1,478,220</u>
		<u>1,478,220</u>	<u>1,478,220</u>
26	GENERAL RESERVE FUND :		
	Opening balance	60,018,157	57,197,856
	Add : Provided during the year (Interest on FDR)	<u>2,236,158</u>	<u>2,820,301</u>
		<u>62,254,315</u>	<u>60,018,157</u>
27	REVALUATION RESERVE :		
	Opening balance	<u>10,201,172,009</u>	<u>10,201,172,009</u>
		<u>10,201,172,009</u>	<u>10,201,172,009</u>
28	DEPRECIATION RESERVE FUND :		
	Opening balance	572,669,970	557,358,507
	Add : Provided during the year (Interest on FDR)	2,236,158	3,185,109
	Add : Net depreciation during the year	10,682,766	12,126,354
	Less : Net adjustment during the year	226,200	-
		<u>585,362,694</u>	<u>572,669,970</u>

Amount in Taka

As at 30 June

	<u>2013</u>	<u>2012</u>
29 PAYABLE ACCOUNTS WITH BTCL & OTHERS		
Advance from BTCL Department	435,945,000	450,000,000
Advance From ONU BTCL	64,673,205	98,014,725
Other than BTCL	13,098,442	3,146,952
	<u>513,716,647</u>	<u>551,161,677</u>
30 CREDITORS FOR GOODS SUPPLIED		
Sundry suppliers	10,813,104	108,704
ONU	70,000,000	70,000,000
Provision for suppliers	15,436,137	15,436,137
	<u>96,249,241</u>	<u>85,544,841</u>
31 CREDITORS FOR EXPENSES :		
Provision for gratuity	9,459,489	1,327,816
Provision of expenses	1,843,500	1,843,500
Provision for leave salary	(2,165,393)	(2,165,393)
Payable salaries	348,482	38,991
Benevolent fund	83,496	55,964
VAT on Sales	-	2,272,299
Clearance A/C TSS Officers' Association	150	150
	<u>9,569,724</u>	<u>3,373,327</u>
32 CREDITORS FOR OTHER FINANCE :		
Security deposit from suppliers	3,881,346	1,908,994
Advance for Other Works	48,747,423	48,747,423
Contributory Provident Fund	3,959,574	3,672,888
VAT deducted at source	12,428	248,748
Income Tax deducted at source	60,169	291,922
Welfare fund	62,754	62,754
Unused phone card	922,074	922,074
	<u>57,645,768</u>	<u>55,854,803</u>

33 PROVISION FOR CORPORATE TAX :

<u>Year</u>		
1996 - 1997	17,686,681	17,686,681
1997 - 1998	20,074,947	20,074,947
1998 - 1999	3,420,442	3,420,442
2005 - 2006	798,987	798,987
2006 - 2007	331,953	331,953
2007 - 2008	263,019	263,019
2008 - 2009	208,749	208,749
2009 - 2010	327,495	327,495
2010 - 2011	774,019	774,019
2011 - 2012	2,800,002	2,800,002
2012 - 2013	5,180,086	-
	<u>51,866,380</u>	<u>46,686,294</u>

We have been informed that Income tax of the company has been settled up to 1994-1995. From 1995-1996 to 2002-2003 TSS has submitted Income tax Return to the Income Tax Authority in accordance with audited financial statements. Tax Authority did not accept the TSS's Return. As such, TSS has appealed through Income Tax Adviser which are yet to be settled.

Amount in Taka
For the year ended 30 June

	<u>2013</u>	<u>2012</u>
34 SALES:		
Telephone sets	22,133,732	5,279,111
Repair & maintenance.	546,048	1,226,407
Optical Network Unit (ONU)	33,341,520	215,418,351
PABX (Spare Parts)	7,531,442	8,553,421
Cable work	2,902,369	435,369
PABX maintenance	6,828,055	12,599,454
Spare parts	9,010,447	5,790,039
BTS tower-teletalk	41,798,118	43,897,355
Digital electric meter	46,356,999	22,152,013
Laptop project	847,659,623	244,648,910
Mtc. Free Battery	17,908,800	-
	<u>1,036,017,153</u>	<u>560,000,430</u>
35 COST OF GOODS SOLD :		
Material consumption (Note 35.1)	1,057,854,823	573,104,978
Direct wages (Note 35.2)	17,291,982	18,147,247
Prime cost	<u>1,075,146,805</u>	<u>591,252,225</u>
Add. Factory overhead (Note 35.3)	57,008,335	58,907,297
Add: Opening stock of work in progress	-	-
	<u>1,132,155,140</u>	<u>650,159,522</u>
Less: Closing stock of work in progress	-	-
Cost of goods manufactured	<u>1,132,155,140</u>	<u>650,159,522</u>
Add: Opening stock of finished goods	125,122,447	19,790,447
	<u>1,257,277,587</u>	<u>669,949,969</u>
Less: Closing stock of finished goods	262,952,188	125,122,447
Cost of goods sold transferred to P & L A/C	<u>994,325,399</u>	<u>544,827,522</u>
35.1 Material consumption:		
Purchase parts for telephone	48,460	19,143,139
Digital PABX	938,082	18,520,140
Digital telephone	20,213,749	4,469,367
Digital meter	34,809,636	23,632,750
Material for digital PABX	33,883,363	6,158,217
OSP Material (fron, Steel & ONU)	7,360,157	140,188,881
Teletalk tower project expense	37,880,734	49,011,864
Laptop expense	899,765,392	311,980,620
RBBL Project expense	22,955,250	-
	<u>1,057,854,823</u>	<u>573,104,978</u>

Amount in Taka
For the year ended 30 June

35.2 Direct wages :

	<u>2013</u>	<u>2012</u>
Production wages	7,040,501	8,216,677
House rent allowance	4,547,824	4,750,870
Conveyance allowance	130,988	138,853
Washing allowance	61,327	64,106
Medical Allowance	578,996	609,755
Employer's contribution to-P/F	979,269	918,822
Gratuity	1,351,602	1,373,640
Uniform & liveries	186,271	71,182
Crockeries & Cutleries	8,736	-
Overtime	101,208	101,968
Festival Bonus	1,438,154	1,473,871
Canteen subsidy	867,106	427,503
	<u>17,291,982</u>	<u>18,147,247</u>

35.3 Factory overhead:

Pay of officers (Basic)	5,262,120	5,160,890
Digital PABX wages	5,372,168	5,075,855
Indirect wages (Basic)	15,640,082	15,137,195
Daily labour & Ansar salary & bonus	1,815,914	1,638,712
House rent allowance	7,640,344	7,981,461
Conveyance allowance	286,925	304,155
Medical allowance	714,095	752,031
Washing allowance	80,360	84,001
Employer's Contrib. to P/F	1,919,366	1,800,891
Gratuity & leave salary	2,815,837	2,861,750
Fire Fighting (gas) filling	62,350	-
Tools testing equipment	1,425	-
Medical expenses	8,000	5,580
Uniform & liveries	248,361	94,910
Overtime	877,139	883,730
Festival bonus	2,996,154	3,070,564
Canteen subsidy	1,220,371	601,671
Gas bill allowance	3,120	3,120
Factory cleaning	-	42,660
Travelling expenses others	221,751	658,596
Maintenance of building	52,249	1,641,914
Maintenance of plant and machinery	9,308	20,210
Power supply maintenance	77,084	41,089
Maintenance of vehicle	260,352	503,083
Printing & stationery	362,031	452,364
Vehicle insurance premium	110,776	127,148
Energy/ electricity	1,302,627	1,109,382
General tools	170,090	365,887
Depreciation	7,477,936	8,488,448
	<u>57,008,335</u>	<u>58,907,297</u>

36 ADMINISTRATIVE EXPENSES :	<u>Amount in Taka</u>	
	<u>For the year ended 30 June</u>	
	<u>2013</u>	<u>2012</u>
Pay of officers (Basic)	3,364,307	3,299,586
Customer service wages	105,018	131,120
House rent allowance	6,003,127	6,271,148
Conveyance allowance	205,838	218,198
Medical allowance	636,896	670,731
Washing allowance	69,786	72,948
Education allowance	548,428	569,612
Recreation leave	56,225	126,386
Leave salary	948,840	1,775,988
Employer's Contrib. to P/F	1,018,439	955,575
Gratuity	1,464,235	1,488,110
Uniform & liveries	186,271	71,183
Overtime	708,458	713,782
Festival bonus	1,558,000	1,596,693
Canteen subsidy	1,124,026	554,171
Group insurance	49,791	391,713
Training and Manpower development	6,000	18,600
Annual picnic	65,000	95,000
Cultural & religious function	117,085	133,714
National day celebration	53,000	18,434
Funeral expenses	4,850	5,000
Dignitaries' visit & meeting	-	489,283
Travelling Expenses PABX	433,795	443,673
Maintenance of building	22,392	703,678
Furniture & Fixtures Maintenance	110,287	164,644
Power supply maintenance	33,036	17,609
Maintenance of vehicle	73,433	141,894
Garden maintenance	4,500	5,075
Office Supplies (Toner, Tele Line etc.)	67,631	195,808
Stationery	1,630	-
	19,040,324	21,339,355

Amount in Taka
For the year ended 30 June,

	<u>2013</u>	<u>2012</u>
Printing & office stationery	442,483	552,889
Vehicle insurance premium	59,649	68,465
Municipality tax	2,114,770	13,500
Land revenue	852,894	206,792
Fire brigade charges/fees	500	3,800
Energy/ electricity.	1,202,425	1,024,046
Postage & Courier	31,730	14,586
Telegram & telephone/Internet	433,167	426,012
Travelling expenses others	24,639	73,178
Media advertisement	408,165	1,446,849
Photostat	9,236	13,351
Bank charge	16,208,546	2,124,455
Audit & professional fees	25,000	21,375
Legal (Income tax)	25,500	62,250
Consultation fees	175,000	95,000
Entertainment BoD	81,600	103,856
Directors' fees	208,000	221,138
Welfare expenses	15,530	11,095
News paper	21,763	22,841
Purchase of tender document	2,000	55,115
Consumption of petrol	1,069,557	1,356,112
Vehicle tax	58,819	84,121
Maintenance air-condition	510	44,500
Depreciation	3,204,830	3,637,906
Miscellaneous	14,668	119,906
	26,690,981	11,803,138
	45,731,305	33,142,493

TELEPHONE SHILPA SANGSTHA LIMITED

Tongi, Gazipur

RATIO ANALYSIS

For the year ended 30 June 2013

Particulars	2012-2013		2011-2012	
	Amount in Taka	Ratio	Amount in Taka	Ratio
Current Ratio :				
Current Assets	736,257,259	1.01	738,666,452	0.99
Current Liabilities	729,047,760		742,620,942	
Quick Ratio :				
Current Assets-Inventory	361,084,811	0.50	509,216,469	0.69
Current Liabilities	729,047,760		742,620,942	
Current Ratio to Fixed Assets				
Current Assets	736,257,259	0.07	738,666,452	0.07
Fixed Assets (at cost)	10,555,147,194		10,556,622,766	
Profitability Ratio :				
Gross profit/(Loss)	41,691,754	0.04	15,172,908	0.03
Gross Sales	1,036,017,153		560,000,430	
Rate of Return :				
Net profit/(Loss)	5,595,282	0.01	6,157,335	0.01
Net Sales	1,036,017,153		560,000,430	
Rate of Return on Capital Employed :				
Net profit/(Loss)	5,595,282	0.00	6,157,335	0.00
Capital Employed	10,872,832,154		10,852,081,790	
Inventory Management Ratio :				
Total Inventory	375,172,448	0.51	229,449,983	0.31
Current Assets	736,257,259		738,666,452	
Inventory Working Capital :				
Inventory	375,172,448	52.04	229,449,983	-58.02
Working Capital	7,209,499		(3,954,490)	
Direct Wages to Cost of Production :				
Direct Wages	17,291,982	0.02	18,147,247	0.03
Cost of Production	1,075,146,805		591,252,225	