

Ref : hp:ftss 2014

TELEPHONE SHILPA SANGSTHA LIMITED
Tongi, Gazipur, Bangladesh

TELEPHONE SHILPA SANGSTHA LIMITED
AUDITORS' REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2014

CONTENTS	Page No.
* Auditors' Report	1
* Statement of Financial Position	2
* Statement of Profit or Loss and other Comprehensive Income	3
* Statement of Changes in Equity	4
* Statement of Cash Flows	5
* Notes to the Financial Statements	6-18
* Ratio Analysis	19

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



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 2014 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 of **TELEPHONE SHILPA SANGSTHA LIMITED** is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS's), the Companies Act, 1994, 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 give a true and fair view of the financial position of **TELEPHONE SHILPA SANGSTHA LIMITED** as at 30 June 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS's) and comply with the relevant requirements of the Companies Act, 1994, 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; and
- 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.

Place: Dhaka

Dated: 27 October 2015



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

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

ASSETS	Notes	2014 Taka	2013 Taka
Non-current assets			
Property, plant and equipment	3	10,555,157,550	10,555,147,194
Investment in TSS new plant	4	66,340,655	66,340,655
Investment in fixed deposits	5	338,065,156	244,134,806
		10,959,563,361	10,865,622,655
Current assets			
Inventories	6	232,665,042	375,172,448
Trade and other receivables	7	34,107,581	26,537,768
Advance, deposits and prepayments	8	266,234,734	264,467,626
Cash and cash equivalents	9	52,124,080	70,079,417
		585,131,437	736,257,259
Total assets		11,544,694,798	11,601,879,914
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	10	86,824,000	86,824,000
Share money deposit	11	398	398
Capital reserve	12	1,478,220	1,478,220
General reserve fund	13	62,254,315	62,254,315
Revaluation reserve	14	10,201,172,009	10,201,172,009
Depreciation reserve fund	15	596,364,018	585,362,694
Retained earnings (loss)		(58,793,582)	(64,259,482)
		10,889,299,378	10,872,832,154
Current liabilities			
Trade and other payables	16	581,688,733	663,652,082
Contributory Provident Fund		3,861,420	3,959,574
Provision for gratuity		15,342,721	9,459,489
Liabilities for expenses	17	(307,011)	110,235
Provision for corporate tax	18	54,809,557	51,866,380
		655,395,420	729,047,760
Total equity and liabilities		11,544,694,798	11,601,879,914

The annexed notes form an integral part of these financial statements

Rehman
Secretary

[Signature]
Director

bmm
Managing Director

Signed in terms of our separate report of even date annexed

Place: Dhaka
Dated: 27 October 2015

[Signature]
K.M. HASAN & CO.
Chartered Accountants



TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2014

		2014 <u>Taka</u>	2013 <u>Taka</u>
Sales revenue	19	594,481,446	1,036,017,153
Less: Cost of goods sold	20	<u>589,399,857</u>	<u>994,325,399</u>
Gross profit		5,081,589	41,691,754
Less: Administrative expenses	21	<u>33,579,972</u>	<u>45,731,305</u>
Operating profit/(loss)		(28,498,383)	(4,039,551)
Add: Non-operating income	22	<u>36,907,460</u>	<u>14,814,919</u>
Net profit before tax		8,409,077	10,775,368
Less: Provision for income tax		<u>2,943,177</u>	<u>5,180,086</u>
Net profit after tax		5,465,900	5,595,282
Add: Other comprehensive income		-	-
Total comprehensive income		<u><u>5,465,900</u></u>	<u><u>5,595,282</u></u>

The annexed notes form an integral part of these financial statements

Behman
Secretary

[Signature]
Director

[Signature]
Managing Director

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October 2015

[Signature]
K.M. HASAN & CO
Chartered Accountants



TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2014

Amount in Taka

Particulars	Share capital	Share money deposit	Capital reserve	General reserve fund	Revaluation reserve	Depreciation reserve fund	Retained Earnings (loss)	Total
Balance as at 01 July 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
Interest on FDR	-	-	-	-	-	1,307,336	-	1,307,336
Depreciation provided during the year	-	-	-	-	-	9,693,988	-	9,693,988
Net profit after tax	-	-	-	-	-	-	5,465,900	5,465,900
Balance as at 30 June 2014	86,824,000	398	1,478,220	62,254,315	10,201,172,009	596,364,018	(58,793,582)	10,889,299,378

For the year ended 30 June 2014

Particulars	Share capital	Share money deposit	Capital reserve	General reserve fund	Revaluation reserve	Depreciation reserve fund	Retained Earnings (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)
Prior year's adjustment	-	-	-	-	-	-	226,200	226,200
Net profit after tax	-	-	-	-	-	-	5,595,282	5,595,282
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

Bahman
Secretary

Qazi
Director

K.M. Hasan
Managing Director

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October 2015

4



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

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2014

	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
A Cash Flows from Operating Activities :		
Collection from customers & others	623,819,093	1,065,164,476
Payment to suppliers and operating expenses	(543,004,820)	(1,275,773,608)
Income Tax Paid	(4,828,905)	-
Net Cash Provided / (Used) from Operating Activities	75,985,369	(210,609,132)
B Cash Flows from Investing Activities :		
Purchase of Property, Plant and Equipments	(10,356)	(32,500)
Sale of Property, Plant and Equipment	-	1,508,072
Investment in/Encashment of FDR	(93,930,350)	(193,250)
Received from investment/Investment in new plant	-	399,999
Net Cash (used) /Provided from Investing Activities	(93,940,706)	1,682,321
C Cash Flows from Financing Activities :	-	-
Increase/Decrease in Cash and Cash Equivalents (A+B+C)	(17,955,337)	(208,926,811)
Add : Opening cash and cash equivalents	70,079,417	279,006,228
Closing Cash and Cash Equivalents	52,124,080	70,079,417

Bahman
Secretary

[Signature]
Director

[Signature]
Managing Director

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October 2015

[Signature]
K. M. HASAN & CO.
Chartered Accountants



TELEPHONE SHILPA SANGSTHA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2014

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.

1.3 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.

1.4 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.

1.5 Reporting period

The financial statements of the company have been Prepared for the period of one year covering from 01 July 2013 to 30 June 2014.

1.6 Approval of financial statements

The financial statements were approved by the Board of Directors on 26 October 2015, at 228th Board Meeting.

2 SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Accounting Convention & Basis

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

2.2 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 property, plant and equipment

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.



2.3 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.

2.4 Inventories

Stock of Finished Goods

Stock of Finished Goods have been valued as per IAS - 2.

Stock of Raw Materials

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

2.5 Cash and cash equivalents

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

2.6 Statement of cash flows

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

2.7 Accrued expense and other payable

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.

2.8 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.

2.9 Financial instruments

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

2.10 Contingent Liabilities

There was no contingent liability as on 30 June 2014.

2.11 Capital expenditure commitment

There was no material capital expenditure authorized by the Board and not contracted for the year ended 30 June 2014.

2.12 Events after the reporting period

In compliance with the requirements of BAS 10. Events after the reporting period that provide additional information about the company's position at the reporting 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.

2.13 General

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

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



3 PROPERTY, PLANT AND EQUIPMENTS

TELEPHONE SHILPA SANGSTHA LIMITED
As at 30 June 2014

Particulars	COST				Dep. Rate %	DEPRECIATION				WDV as on 30.06.2014
	Balance as on 01.07.2013	Addition during the year	Sale/ Adjustment during the year	Balance as on 30.06.2014		Balance as on 01.07.2013	Charged during the year	Sale/ Adjustment	Balance as on 30.06.2014	
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
Utara	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%	2,322,273	516,872	-	2,839,145	9,820,569
Sewerage & Drains	4,504,279	5,400	-	4,509,679	5%	821,184	184,425	-	1,005,609	3,504,070
Factory Building	82,560,356	-	-	82,560,356	5%	14,431,989	3,406,418	-	17,838,407	64,721,949
Bonded Warehouse	1,219,226	-	-	1,219,226	5%	228,159	49,653	-	275,812	943,414
Residential Building	16,495,000	-	-	16,495,000	5%	3,059,720	671,764	-	3,731,484	12,763,516
Prayer Hall	3,600,000	-	-	3,600,000	5%	667,778	146,611	-	814,389	2,785,611
Factory Elec. Installation	18,314,177	-	-	18,314,177	5%	3,355,369	747,940	-	4,103,309	14,210,868
	139,352,752	5,400	-	139,358,152		24,884,472	5,723,683	-	30,608,155	108,749,997
PLANT, MACHINERY & EQUIPMENT										
Production Machinery	4,673,116	-	-	4,673,116	18%	2,560,299	380,307	-	2,940,606	1,732,510
TOOLS, EQUIPMENT & MOULDS										
Special tools	6,784,302	-	-	6,784,302	15%	3,242,854	531,217	-	3,774,071	3,010,231
Testing equipment	948,829	-	-	948,829	15%	453,534	74,294	-	527,828	421,001
Moulds	14,714	-	-	14,714	30%	11,181	1,060	-	12,241	2,473
Drawing equipment	8,687	-	-	8,687	15%	4,152	680	-	4,832	3,855
Gen. Machinery equipment	69,335	-	-	69,335	15%	32,803	5,480	-	38,283	31,052
Work Shop equipment	81,001	-	-	81,001	15%	38,718	6,342	-	45,050	35,941
Equipment of PSTN Plant	10,820,390	-	-	10,820,390	10%	2,055,874	876,452	-	2,932,326	7,888,064
	18,727,258	-	-	18,727,258		5,839,116	1,495,525	-	7,334,641	11,392,617



Amount in Taka

Particulars	COST			Dep. Rate %	DEPRECIATION			WDV as on 30.06.2014	
	Balance as on 01.07.2013	Addition during the year	Sale/ Adjustment during the year		Balance as on 30.06.2014	Charged during the year	Sale/ Adjustment		Balance as on 30.06.2014
Motor Vehicles	12,661,741	-	-	20%	7,198,007	1,092,746	-	8,290,733	4,370,988
OFFICE EQUIPMENT									
Office Machinery Equipment	2,562,910	-	-	15%	1,088,590	221,148	-	1,309,738	1,253,172
Computer	3,142,395	-	-	15%	1,397,478	281,738	-	1,659,216	1,483,179
	5,705,305	-	-		2,486,068	482,886	-	2,958,954	2,736,351
FURNITURE & FIXTURES									
Office furniture	1,446,601	-	-	10%	458,639	98,796	-	557,435	889,166
Residential furniture	192,661	-	-	10%	66,257	12,640	-	78,897	113,764
Electric fans	117,927	-	-	10%	40,090	7,784	-	47,874	70,053
Air conditioner	3,059,935	-	-	15%	881,507	326,764	-	1,208,271	1,851,664
Canteen equipment	52,854	4,956	-	15%	16,469	6,201	-	22,670	35,140
Residential Elect. Equipment	77,714	-	-	15%	37,147	6,085	-	43,232	34,482
Gas Installation	121,272	-	-	10%	41,706	7,957	-	49,663	71,609
Telephone installation	361,828	-	-	10%	120,116	24,171	-	144,287	217,541
Fire Fighting equipment	226,012	-	-	10%	44,498	18,151	-	62,649	163,363
Lift	154,623	-	-	10%	53,175	10,145	-	63,320	91,303
Supply Box	1,183	-	-	20%	698	97	-	795	388
Medical Appliances	413	-	-	15%	198	32	-	230	183
Books	252	-	-	10%	86	17	-	103	149
	5,813,275	4,956	-		1,760,586	518,841	-	2,279,427	3,538,804
Total 2013-2014	10,555,147,194	10,356	-		44,728,548	9,693,988	-	54,422,536	10,500,735,014
Total 2012-2013	10,556,622,766	32,500	1,508,072		34,271,979	10,582,766	226,200	44,728,548	10,510,418,646

4 INVESTMENT IN NEW PLANT

Mobile Battery Plant
TSS-ADMI Digital Meter Plant
Laptop Plant



	2014	2013
Taka		
	16,906,203	16,906,203
	10,533,462	10,533,462
	38,900,990	38,900,990
	66,340,655	66,340,655

5 INVESTMENT IN FIXED DEPOSITS

TELEPHONE SHILPA SANGSTHA LIMITED
As at 30 June 2014

Amount in Taka

Sl. No.	FDR No.	Bank	Branch	Opening Date	Investment Interest Rate	Principal	Interest Accrued: 2013-14			Accrued Interest	Encashment	30th June '14 Fund Position
							Total	IT & Other	Net adj.			
Depreciation Fund :												
1	300000001	Sonali Bank Ltd.	Station Road, Tongi	21/06/2011	12%	4,399,210	1,441,119	133,783	-	1,307,336	-	5,706,546
2	10255002311	Sonali Bank Ltd.	B.B.A. Corporate	16/10/2010	12%	34,084,094	4,260,512	426,051	3,834,461	-	1,307,336	34,084,094
						38,483,304	5,701,631	559,834	3,834,461	1,307,336	-	39,790,640
3	10255002328	Sonali Bank Ltd.	B.B.A. Corporate	17/10/2008	12%	34,084,094	4,260,512	426,051	3,834,461	-	-	34,084,094
						34,084,094	4,260,512	426,051	3,834,461	-	-	34,084,094
General Fund :												
4	11,841,200,007,645	Mercantile Bank Ltd.	Elephant Road	22/09/2011	11.25%	58,921,006	6,364,273	636,427	2,685,280	3,042,566	8,921,006	53,042,566
5	011841100016921	Mercantile Bank Ltd.	Elephant Road	09/11/2012	10.75%	79,093,277	9,677,216	1,050,732	2,135,518	6,490,966	-	85,584,243
6	011841100017487	Mercantile Bank Ltd.	Elephant Road	11/02/2013	11%	2,053,125	246,366	30,875	-	215,491	-	2,268,616
7	11,841,300,009,621	Mercantile Bank Ltd.	Elephant Road	23/09/2012	11.50%	8,000,000	999,998	150,000	-	849,998	-	8,849,998
8	11,841,400,000,011	Mercantile Bank Ltd.	Elephant Road	18/04/2013	12.50%	6,000,000	-	-	-	-	-	6,000,000
9	11,841,200,008,371	Mercantile Bank Ltd.	Elephant Road	26/06/2013	11.25%	17,500,000	2,087,530	208,753	933,778	944,999	-	18,444,999
10	11,841,100,022,913	Mercantile Bank Ltd.	Elephant Road	29/04/2014	9.25%	50,000,000	-	-	-	-	-	50,000,000
11	11,841,100,022,913	Mercantile Bank Ltd.	Elephant Road	29/04/2015	9.25%	30,000,000	-	-	-	-	-	30,000,000
12	11,841,100,022,913	Mercantile Bank Ltd.	Elephant Road	29/04/2016	9.25%	10,000,000	-	-	-	-	-	10,000,000
						261,567,408	19,375,393	2,076,787	5,754,576	11,544,020	8,921,006	264,190,422
						334,134,806	29,337,526	3,062,672	13,423,498	12,851,356	8,921,006	338,055,156
						232,866,110	18,853,341	2,126,115	5,468,530	16,732,226	-	244,134,806
As at 30 June 2014												
As at 30 June 2013												



As at 30 June

	2014 <u>Taka</u>	2013 <u>Taka</u>
6 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	10,020	(880,333)
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	3,064,294	31,037,851
Other material laptop	-	23,137,600
Parts PSTN	-	9,028,250
Finished goods	179,694,336	262,952,188
Revenue Stamp	-	500
	<u>232,665,042</u>	<u>375,172,448</u>
7 TRADE AND OTHER RECEIVABLES		
Claims on BTCL Mtc. Region.	-	4,089,038
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)	132,227	(123,328)
Ramna Sales center (Phone card)	-	27,183
Sales center Azampur	27,090	8,450
TSS Sales Centre	-	(125,619)
Claims on insurance	186,816	332,520
Claims on others	25,828,324	14,396,400
Claims (miscellaneous)	6,741	6,741
	<u>34,107,581</u>	<u>26,537,768</u>
8 ADVANCE, DEPOSITS AND PREPAYMENTS		
Advance to suppliers	44,437,125	40,241,648
Security deposits suppliers (Note 8.1)	2,337,191	2,337,191
Advance income tax paid	90,909,941	86,081,036
Adv. To Techno Trade Engr. Ltd	61,833,579	78,331,651
Laptop Plant	-	32,387,666
Pay advance	325,084	366,609
Travelling advance	10,842	15,345
Canteen	43,871	25,480
Advance to dispatcher	400	400
Advance revenue stamp	603	(217)
New round up	1,482	1,528
Union subscription	(70)	(65)
Bank guarantee	38,661,122	22,804,732
Solar panel	51,000	51,000
TSS - RBBL Battery Ltd	5,480,235	495,450
Advance TSS ADMI Plant	21,479,758	(400,000)
VAT Current Account	86,143	128,717
Miscellaneous advance	576,429	1,599,455
	<u>266,234,734</u>	<u>264,467,626</u>



		<u>As at 30 June</u>	
		<u>2014</u>	<u>2013</u>
		<u>Taka</u>	<u>Taka</u>
8.1	Security deposits to suppliers		
	<u>Name of the party</u>		
	<u>Year</u>		
	Defence savings certificate	1,000	1,000
	Dhaka Electric Supply	11,757	11,757
	AOTR	500	500
	Titas Gas	74,410	74,410
	Bangladesh Oxygen Ltd.	59,148	59,148
	Gulshan Service Station	25,000	25,000
	Sr. A. O. Collection (Tender earnest money)	150,850	150,850
	Director Procurement (Security money-fax ma	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>

9 CASH AND CASH EQUIVALENTS

Cash in hand	331,328	1,478,154
Cash at bank :		
Janata Bank, Tongi C/A	-	12,804
Janata Bank, Tongi STD	-	4,850
Sonali Bank, Station Road C/A	231,916	(1,272,876)
Sonali Bank, Station Road STD	10,631,773	24,836,898
Sonali Bank, B B Avenue C/A	17,192	17,192
Sonali Bank, B B Avenue STD	1,019,246	118,030
Sonali Bank, Kurmitala C/A	227	385,290
Sonali Bank, Kurmitala STD	42,043	272,019
Premier Bank Ltd. STD	185,420	180,820
Mercantile Bank, ER Branch	39,259,628	43,106,188
Mercantile Bank, CD (Laptop)	50,361	667,912
Basic bank	306,609	362,500
Mercantile bank CD	28,140	(1,029,388)
Dormant Bank Accounts (Note 9.1)	20,198	939,024
	<u>51,792,752</u>	<u>68,601,263</u>
	<u>52,124,080</u>	<u>70,079,417</u>

9.1 Dormant Bank Accounts

Janata Bank Ltd, Ramna branch (code 1102)	-	73,765
Janata Bank Ltd, Ramna branch (code 1104)	-	24,548
Jamuna Bank Ltd, Shantinagar branch (code 1120)	-	599,296
Sonali Bank Ltd, Station Rd branch (code 1121)	6,536	6,536
Janata Bank Ltd, Phone card sales (code 1136)	-	22,751
Sonali Bank Ltd, Phone card sales (code 1137)	-	72
Pubali Bank Ltd, Phone card sales (code 1138)	-	3,587
Rupali Bank Ltd, Phone card sales (code 1139)	1,119	1,119
Uttara Bank Ltd, (code 1140)	-	82,109
AB Bank Ltd, (code 1141)	12,543	12,543
Eastern Bank Ltd, (code 1142)	-	112,698
	<u>20,198</u>	<u>939,024</u>



		As at 30 June	
		2014	2013
		<u>Taka</u>	<u>Taka</u>
10	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 of Shares</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>
11	SHARE MONEY DEPOSIT	<u>398</u>	<u>398</u>
12	CAPITAL RESERVE	<u>1,478,220</u>	<u>1,478,220</u>
13	GENERAL RESERVE FUND		
	Opening balance	62,254,315	60,018,157
	Add : Addition during the year (Interest on FDR)	-	2,236,158
		<u>62,254,315</u>	<u>62,254,315</u>
14	REVALUATION RESERVE	<u>10,201,172,009</u>	<u>10,201,172,009</u>
15	DEPRECIATION RESERVE FUND		
	Opening balance	585,362,694	572,669,970
	Add : Addition during the year (Interest on FDR)	1,307,336	2,236,158
	Add : Depreciation during the year	9,693,988	10,682,766
	Less : Adjustment during the year	-	226,200
		<u>596,364,018</u>	<u>585,362,694</u>



		As at 30 June	
		2014	2013
		Taka	Taka
16	TRADE AND OTHER PAYABLES		
	Trade Payables (Note 16.1)	- 85,980,649	96,249,241
	Payable to BTCL & others (Note 16.2)	495,708,084	567,402,841
		581,688,733	663,652,082
16.1	Trade Payables		
	Sundry suppliers	544,512	10,813,104
	ONU	70,000,000	70,000,000
	Provision for suppliers	15,436,137	15,436,137
		85,980,649	96,249,241
16.2	Payable to BTCL & others		
	Advance from BTCL Department	422,384,086	435,945,000
	Advance From ONU BTCL	-	64,673,205
	Other than BTCL	19,476,869	13,098,442
	Security deposit from suppliers	3,955,194	3,881,346
	Advance for Other Works	48,747,423	48,747,423
	VAT deducted at source	77,168	12,428
	Income Tax deducted at source	82,516	60,169
	Welfare fund	62,754	62,754
	Unused phone card	922,074	922,074
		495,708,084	567,402,841
17	LIABILITIES FOR EXPENSE		
	Provision of expenses	1,843,500	1,843,500
	Provision for leave salary	(2,165,393)	(2,165,393)
	Payable salaries and allowances	-	348,482
	Benevolent fund	12,300	83,496
	VAT on Sales	2,582	-
	Clearance A/C TSS Officer's Association	-	150
		(307,011)	110,235
18	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	5,180,086
	2013 - 2014	2,943,177	-
		54,809,557	51,866,380

Income tax of the company has been settled upto income year 2010 - 2011. The income tax return of the company 2011-2012 for 2012-2013 and 2013-2014 income year are under the process of settlement.



For the year ended 30 June

	2014	2013
	<u>Taka</u>	<u>Taka</u>
19 SALES REVENUE		
Telephone sets	14,684,458	22,133,732
Repair & maintenance	182,398	546,048
Optical Network Unit (ONU)	64,673,205	33,341,520
PABX (Spare Parts)	160,022,829	7,531,442
Cable work	3,295,281	2,902,369
PABX maintenance	9,716,520	6,828,055
Spare parts	14,401,763	9,010,447
BTS tower-teletalk	33,357,573	41,798,118
Digital electric meter	55,724,032	46,356,999
Laptop project	173,852,248	847,659,623
Mtc. Free Battery	64,571,140	17,908,800
	<u>594,481,446</u>	<u>1,036,017,153</u>
20 COST OF GOODS SOLD		
Material consumption (Note 20.1)	435,858,585	1,057,854,823
Direct wages (Note 20.2)	15,725,752	17,291,982
Prime cost	<u>451,584,337</u>	<u>1,075,146,805</u>
Add. Factory overhead (Note 20.3)	54,557,669	57,008,335
Add: Opening work in progress	-	-
	<u>506,142,005</u>	<u>1,132,155,140</u>
Less: Closing stock of work in progress	-	-
Cost of goods manufactured	<u>506,142,005</u>	<u>1,132,155,140</u>
Add: Opening finished goods	262,952,188	125,122,447
	<u>769,094,193</u>	<u>1,257,277,587</u>
Less: Closing finished goods	179,694,336	262,952,188
	<u>589,399,857</u>	<u>994,325,399</u>



For the year ended 30 June

	2014	2013
	<u>Taka</u>	<u>Taka</u>
20.1 Material consumption		
Purchase parts for telephone	-	48,460
Digital PABX	153,702,067	938,082
Digital telephone	14,483,610	20,213,749
Digital meter	71,772,590	34,809,636
Material for digital PABX	-	33,883,363
OSP Material (fron, Steel & ONU)	22,534,113	7,360,157
Teletalk tower project expense	34,146,270	37,880,734
Laptop expense	81,983,314	899,765,392
RBBL Project expense	57,236,621	22,955,250
	<u>435,858,585</u>	<u>1,057,854,823</u>
20.2 Direct wages		
Production wages	5,936,921	7,040,501
House rent allowance	4,539,397	4,547,824
Conveyance allowance	126,099	130,988
Washing allowance	56,542	61,327
Medical Allowance	552,509	578,996
Employer's contribution to-P/F	961,075	979,269
Gratuity	1,411,978	1,351,602
Uniform & liveries	91,952	186,271
Crockeries & Cutleries	4,356	8,736
Overtime	82,354	101,208
Festival Bonus	1,409,024	1,438,154
Canteen subsidy	553,545	867,106
	<u>15,725,752</u>	<u>17,291,982</u>
20.3 Factory overhead		
Pay of officers (Basic)	5,779,232	5,262,120
Digital PABX wages	5,068,802	5,372,168
Indirect wages (Basic)	14,770,320	15,640,082
Daily labour & Ansar salary & bonus	1,908,768	1,815,914
House rent allowance	7,626,187	7,640,344
Conveyance allowance	276,218	286,925
Medical allowance	681,428	714,095
Washing allowance	74,089	80,360
Employer's Contrib. to P/F	1,883,707	1,919,366
Gratuity & leave salary	2,941,621	2,815,837
Fire Fighting (gas) filling	-	62,350
Tools testing equipment	1,900	1,425
Medical expenses	1,705	8,000
Uniform & liveries	122,603	248,361
Overtime	713,733	877,139
Festival bonus	2,935,467	2,996,154
Canteen subsidy	779,063	1,220,371
Gas bill allowance	2,405	3,120
Travelling expenses others	219,579	221,751
Maintenance of building	48,642	52,249
Maintenance of plant and machinery	3,125	9,308
Power supply maintenance	24,660	77,084
Maintenance of vehicle	309,643	260,352
Printing & stationery	96,309	362,031



For the year ended 30 June

	2014	2013
	<u>Taka</u>	<u>Taka</u>
Vehicle insurance premium	97,625	110,776
Energy/ electricity	1,299,681	1,302,627
General tools	105,365	170,090
Depreciation	6,785,792	7,477,936
	<u>54,557,669</u>	<u>57,008,335</u>

21 ADMINISTRATIVE EXPENSES

Pay of officers (Basic)	3,694,919	3,364,307
Customer service wages	-	105,018
House rent allowance	5,992,004	6,003,127
Conveyance allowance	198,156	205,838
Medical allowance	607,760	636,896
Washing allowance	64,340	69,786
Education allowance	526,504	548,428
Recreation leave	76,908	56,225
Leave salary	1,632,808	948,840
Employer's Contrib. to P/F	999,518	1,018,439
Gratuity	1,529,643	1,464,235
Uniform & liveries	91,952	186,271
Overtime	576,477	708,458
Festival bonus	1,526,443	1,558,000
Canteen subsidy	717,558	1,124,026
Group insurance	13,744	49,791
Training and Manpower development	1,500	6,000
Annual picnic	45,000	65,000
Cultural & religious function	22,650	117,085
National day celebration	23,825	53,000
Funeral expenses	10,000	4,850
Dignitaries' visit & meeting	196,244	-
Travelling Expenses PABX	430,129	433,795
Maintenance of building	20,847	22,392
Furniture & Fixtures Maintenance	60,927	110,287
Power supply maintenance	10,568	33,036
Maintenance of vehicle	87,335	73,433
Garden maintenance	4,680	4,500
Office Supplies (Toner, Tele Line etc.)	109,565	67,631
Stationery	-	1,630
Printing & office stationery	117,712	442,483
Vehicle insurance premium	52,567	59,649
Municipality tax	600	2,114,770
Land revenue	-	852,894
Fire brigade charges/fees	1,650	500
Energy/ electricity	1,199,705	1,202,425
Postage & Courier	14,086	31,730
Telegram & telephone/Internet	319,253	433,167
Travelling expenses others	24,398	24,639
Media advertisement	92,350	408,165
Photocopy	7,626	9,236
Bank charge	1,450,124	16,208,546
Audit & professional fees	57,500	25,000
Legal (Income tax)	28,000	25,500
Consultation fees	-	175,000



For the year ended 30 June

	2014	2013
	<u>Taka</u>	<u>Taka</u>
Entertainment BoD	164,626	81,600
Directors' fees	220,000	208,000
Welfare expenses	13,304	15,530
News paper	22,721	21,763
Purchase of tender document	-	2,000
Consumption of petrol	756,716	1,069,557
Vehicle tax	43,299	58,819
Maintenance air-condition	-	510
Depreciation	2,908,196	3,204,830
Miscellaneous	28,088	14,668
Income Tax expenses	693	-
Charge Allowance	48,394	-
Dearness Allowance	6,722,760	-
Maintenance Inventory & Office equipment	13,600	-
	<u>33,579,972</u>	<u>45,731,305</u>

22 NON-OPERATING INCOME

Bank Interest received	29,891,939	11,476,138
Sale of tender documents	12,800	48,100
Miscellaneous received	7,002,721	3,290,681
	<u>36,907,460</u>	<u>14,814,919</u>

23 No other effect have occurred that require adjustment in the financial statement.



TELEPHONE SHILPA SANGSTHA LIMITED

RATIO ANALYSIS

For the year ended 30 June 2014

Particulars	2013-2014		2012-2013	
	Amount in Taka	Ratio	Amount in Taka	Ratio
Current Ratio :				
Current Assets	585,131,437	0.89:1	736,257,259	1.01:1
Current Liabilities	655,395,420		729,047,760	
Quick Ratio :				
Current Assets-Inventory	352,466,395	0.54:1	361,084,811	0.50
Current Liabilities	655,395,420		729,047,760	
Current Ratio to Fixed Assets				
Current Assets	585,131,437	0.06	736,257,259	0.07
Fixed Assets (at cost)	10,555,157,550		10,555,147,194	
Gross Margin :				
Gross profit	5,081,589	0.85%	41,691,754	0.04%
Sales Revenue	594,481,446		1,036,017,153	
Net Margin :				
Net profit	5,465,900	0.92%	5,595,282	0.01%
Sales Revenue	594,481,446		1,036,017,153	
Return on Capital Employed (ROCE):				
PBIT	8,409,077	0.08%	10,775,368	0.54%
Capital Employed	10,889,299,378		10,872,832,154	
Inventory Management / Turnover Ratio :				
Cost of Goods Sold	589,399,857	1.94	375,172,448	0.51
Avg. Inventory	303,918,745		736,257,259	
Inventory to Working Capital :				
Inventory	232,665,042	-3.31	375,172,448	52.04
Working Capital	(70,263,983)		7,209,499	
Direct Wages to Cost of Goods Manufactured :				
Direct Wages	15,725,752	0.03	17,291,982	0.02
Cost of Goods Manufactured	506,142,005		1,075,146,805	

