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TELEPHONE SHILPA SANGSTHA LIMITED
Tongi, Gazipur, Bangladesh

TELEPHONE SHILPA SANGSTHA LIMITED
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
For the year ended 30 June 2016

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AUDITOR'S 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 2016 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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

Basis of Qualified Opinion:

1. Property, plant and equipments are shown in the financial statements at total cost instead of carrying amount/written down value of property, plant and equipment as per BAS-16.
2. Obsolete inventories are shown in the financial statements amount in tk.4,99,06,412 from year to year which has no physical existence.



Qualified Opinion

In our opinion except for the above noted facts described in the Basis of Qualified Opinion the financial statements give a true and fair view of the financial position of **TELEPHONE SHILPA SANGSTHA LIMITED** as at 30 June 2016 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, Bangladesh.
Dated: 17 December 2016



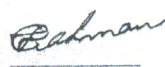
Km Hasan
K. M. HASAN & CO.
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

ASSETS	Notes	2016 Taka	2015 Taka
Non-current assets			
Property, plant and equipment	3	10,555,397,257	10,555,221,417
Investment in TSS plant	4	64,940,655	64,940,655
Investment in fixed deposits	5	432,188,506	362,049,474
		11,052,526,418	10,982,211,546
Current assets			
Inventories	6	157,339,151	116,268,834
Trade and other receivables	7	98,003,921	39,921,745
Advances, deposits and prepayments	8	176,794,074	166,047,481
Cash and cash equivalents	9	297,976,500	239,869,063
		730,113,646	562,107,122
Total assets		11,782,640,064	11,544,318,669
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	70,282,847	65,935,397
Revaluation reserve	14	10,201,172,009	10,201,172,009
Depreciation reserve fund	15	622,024,367	609,258,799
Retained earnings (loss)		(44,784,818)	(52,723,508)
		10,936,997,023	10,911,945,315
Current liabilities			
Trade and other payables	16	794,054,539	582,044,751
Contributory Provident Fund		4,875,345	3,991,572
Provision for gratuity		27,418,723	24,845,021
Liability for expenses	17	53,969	6,526,224
Provision for corporate tax	18	19,240,465	14,965,785
		845,643,041	632,373,354
Total equity and liabilities		11,782,640,064	11,544,318,669

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


Secretary

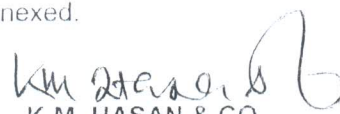

Director


Managing Director

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

Place: Dhaka, Bangladesh.
Dated: 17 December 2016





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 2016

	<u>Notes</u>	<u>2016</u> <u>Taka</u>	<u>2015</u> <u>Taka</u>
Sales revenue	19	1,106,663,182	614,466,882
Less: Cost of goods sold	20	<u>1,098,715,890</u>	<u>594,495,043</u>
Gross profit		7,947,292	19,971,839
Less: Administrative expenses	21	<u>35,929,581</u>	<u>48,581,400</u>
Operating Profit/(loss)		(27,982,289)	(28,609,561)
Add: Non-operating income	22	<u>40,195,659</u>	<u>37,948,136</u>
Net profit before tax		12,213,370	9,338,575
Less: Provision for income tax		<u>4,274,680</u>	<u>3,268,501</u>
Net profit after tax		7,938,690	6,070,074
Add: Other comprehensive income		-	-
Total comprehensive income		<u>7,938,690</u>	<u>6,070,074</u>

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


Secretary


Director


Managing Director

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

Place: Dhaka, Bangladesh.
Dated: 17 December 2016




K.M. HASAN & CO
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

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 2015	86,824,000	398	1,478,220	65,935,397	10,201,172,009	609,258,799	(52,723,508)	10,911,945,315
Addition during the year	-	-	-	4,347,450	-	4,733,209	-	9,080,659
Depreciation provided during the year	-	-	-	-	-	8,032,359	-	8,032,359
Net profit after tax	-	-	-	-	-	-	7,938,690	7,938,690
Balance as at 30 June 2016	86,824,000	398	1,478,220	70,282,847	10,201,172,009	622,024,367	(44,784,818)	10,936,997,023

For the year ended 30 June 2015

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 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
Interest on FDR	-	-	-	3,681,082	-	4,090,874	-	7,771,956
Depreciation provided during the year	-	-	-	-	-	8,803,907	-	8,803,907
Net profit after tax	-	-	-	-	-	-	6,070,074	6,070,074
Balance as at 30 June 2015	86,824,000	398	1,478,220	65,935,397	10,201,172,009	609,258,799	(52,723,508)	10,911,945,315

Bahman

Secretary

[Signature]
Director

[Signature]
Managing Director

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

Place: Dhaka, Bangladesh.

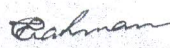
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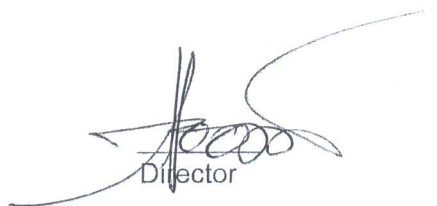


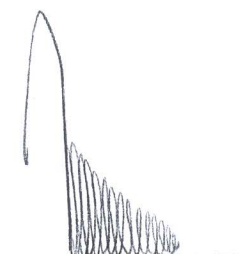
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K. M. HASAN & CO.
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30 June 2016

	<u>2016</u>	<u>2015</u>
	<u>Taka</u>	<u>Taka</u>
A Cash Flows from Operating Activities		
Collection from customers & others	1,088,776,665	646,600,854
Payment to suppliers and operating expenses	(948,928,987)	(430,732,736)
Income tax paid	(11,425,368)	(5,474,950)
Net Cash Provided from Operating Activities	128,422,309	210,393,168
B Cash Flows from Investing Activities		
Purchase of property, plant and equipments	(175,840)	(63,867)
Investment in/encashment of FDR	(70,139,032)	(23,984,318)
Received from investment/investment in new plant	-	1,400,000
Net Cash used in Investing Activities	(70,314,872)	(22,648,185)
C Cash Flows from Financing Activities	-	-
Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	58,107,437	187,744,983
Add : Opening cash and cash equivalents	239,869,063	52,124,080
Closing Cash and Cash Equivalents	297,976,500	239,869,063


Secretary

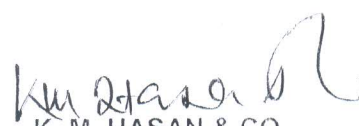

Director


Managing Director

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

Place: Dhaka, Bangladesh.
Dated: 17 December 2016




K. M. HASAN & CO.
Chartered Accountants

TELEPHONE SHILPA SANGSTHA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2016

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 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 2015 to 30 June 2016.

1.6 Approval of financial statements

The financial statements were approved by the Board of Directors on 17.12.2016, at 242 th 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 2016.

2.11 Capital expenditure commitment

There was no material capital expenditure authorized by the Board and not contracted for the year ended 30 June 2016.

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.



Amount in Taka

3. PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST				DEPRECIATION				WDV as on 30.06.2016	
	Balance as on 01.07.2015	Addition during the year	Sale/ Adjustment during the year	Balance as on 30.06.2016	Dep. Rate %	Balance as on 01.07.2015	Charged during the year	Sale/ Adjustment		Balance as on 30.06.2016
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
Uttara	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	12,699,561	156,590	-	12,856,151	5%	3,332,166	476,199	-	3,808,365	9,047,786
Sewerage & Drains	4,515,099	-	-	4,515,099	5%	1,181,084	166,701	-	1,347,784	3,167,315
Factory Building	82,560,356	-	-	82,560,356	5%	21,074,504	3,074,293	-	24,148,797	58,411,559
Bonded Warehouse	1,219,226	-	-	1,219,226	5%	322,982	44,812	-	367,794	851,432
Residential Building	16,495,000	-	-	16,495,000	5%	4,369,660	606,267	-	4,975,927	11,519,073
Prayer Hall	3,600,000	-	-	3,600,000	5%	953,670	132,317	-	1,065,987	2,534,014
Factory Elec. Installation	18,314,177	-	-	18,314,177	5%	4,813,853	675,016	-	5,488,869	12,825,308
	139,403,419	156,590	-	139,560,009		36,047,918	5,175,604	-	41,223,522	88,336,487
PLANT, MACHINERY & EQUIPMENT										
Production Machinery	4,673,116	-	-	4,673,116	18%	3,252,458	255,718	-	3,508,176	1,164,940
TOOLS, EQUIPMENT & MOULDS										
Special Tools	6,784,302	-	-	6,784,302	15%	4,225,605	383,804	-	4,609,409	2,174,893
Testing Equipment	948,829	-	-	948,829	15%	590,978	53,678	-	644,656	304,173
Moulds	14,714	-	-	14,714	30%	12,983	519	-	13,502	1,212
Drawing Equipment	8,687	-	-	8,687	15%	5,410	491	-	5,902	2,785
Gen. Machinery Equipment	69,335	-	-	69,335	15%	42,941	3,959	-	46,900	22,435
Work Shop Equipment	81,001	-	-	81,001	15%	50,452	4,562	-	55,034	25,967
Equipment of PSTN Plant	10,820,390	-	-	10,820,390	10%	3,721,132	709,926	-	4,431,058	6,389,332
	18,727,258	-	-	18,727,258		8,649,501	1,156,960	-	9,805,461	8,920,797



Amount in Taka

Particulars	COST			Dep. Rate %	DEPRECIATION				WDV as on 30.06.2016
	Balance as on 01.07.2015	Addition during the year	Sale/ Adjustment during the year		Balance as on 30.06.2016	Charged during the year	Sale/ Adjustment	Balance as on 30.06.2016	
Motor Vehicles	12,661,741	-	-	20%	9,164,951	699,358	-	9,864,308	2,797,433
OFFICE EQUIPMENT									
Office Machinery Equipment	2,562,910	-	-	15%	1,497,714	159,779	-	1,657,493	905,417
Computer	3,160,995	19,250	-	15%	1,884,483	194,364	-	2,078,847	1,101,398
	5,723,905	19,250	-		3,382,197	354,144	-	3,736,340	2,006,815
FURNITURE & FIXTURES									
Office Furniture	1,446,601	-	-	10%	646,353	80,025	-	726,378	720,223
Residential Furniture	192,661	-	-	10%	90,274	10,239	-	100,513	92,148
Electric Fans	117,927	-	-	10%	54,880	6,305	-	61,185	56,742
Air Conditioner	3,059,935	-	-	15%	1,486,021	236,087	-	1,722,108	1,337,827
Canteen Equipment	57,810	-	-	15%	27,941	4,480	-	32,421	25,389
Residential Elec. Equipment	77,714	-	-	15%	48,404	4,396	-	52,801	24,913
Gas Installation	121,272	-	-	10%	56,824	6,445	-	63,268	58,004
Telephone Installation	361,828	-	-	10%	166,041	19,579	-	185,620	176,208
Fire Fighting Equipment	226,012	-	-	10%	78,986	14,703	-	93,688	132,324
Lift	154,623	-	-	10%	72,450	8,217	-	80,667	73,956
Supply Box	1,183	-	-	20%	873	62	-	935	248
Medical Appliances	413	-	-	15%	258	23	-	281	132
Books	252	-	-	10%	117	14	-	131	122
	5,818,231	-	-		2,729,421	390,575	-	3,119,996	2,698,235
Total 2015-2016	10,555,221,417	175,840	-		63,226,445	8,032,359	-	71,258,804	10,484,138,453
Total 2014-2015	10,555,157,550	63,867	-		54,422,536	8,803,907	-	63,226,445	10,491,994,973



4 INVESTMENT IN TSS PLANT
Mobile Battery Plant
TSS-ADMI Digital Meter Plant
Laptop Plant

	2016 Taka	2015 Taka
	15,506,203	15,506,203
	10,533,462	10,533,462
	38,900,990	38,900,990
	<u>64,940,655</u>	<u>64,940,655</u>

5 INVESTMENT IN FIXED DEPOSITS

Amount in Taka

Sl. No.	FDR No.	Bank	Branch	Opening Date	Investment Interest Rate	Principal	Interest Accrued: 2015-16			Accrued Interest	Encashment	30 June 2016	
							Total	IT & Other	Net adj.				
Depreciation Fund :													
1	300000001	Sonali Bank Ltd.	Station Road, Tongi	21/06/2011	12%	6,116,338	430,288	44,529	-	385,759	-	6,502,097	
2	10255002311	Sonali Bank Ltd.	B.B.A. Corporate	16/10/2010	12%	37,765,176	4,838,833	491,383	-	4,347,450	-	42,112,626	
General Reserve Fund :							5,269,121	535,912	-	4,733,209	-	48,614,723	
3	10255002328	Sonali Bank Ltd.	B.B.A. Corporate	17/10/2008	12%	37,765,176	4,838,833	491,383	-	4,347,450	-	42,112,626	
General Fund :							4,838,833	491,383	-	4,347,450	-	42,112,626	
4	11841200007645	Mercantile Bank Ltd.	Elephant Road	22/09/2011	11.25%	57,549,995	1,258,906	185,891	-	1,073,016	58,623,011	-	
5	011841100016921	Mercantile Bank Ltd.	Elephant Road	09/11/2012	10.75%	85,584,243	6,020,290	602,029	-	5,418,261	-	91,002,504	
6	011841100017487	Mercantile Bank Ltd.	Elephant Road	02/11/2013	11%	2,467,966	178,461	17,846	-	160,615	-	2,628,581	
7	11841300009621	Mercantile Bank Ltd.	Elephant Road	27/03/2014	11.50%	9,816,680	785,334	78,533	-	706,801	-	10,523,481	
8	11841400000011	Mercantile Bank Ltd.	Elephant Road	28-03-14	12.50%	7,350,000	-	-	-	-	-	7,350,000	
9	11841200008371	Mercantile Bank Ltd.	Elephant Road	29-03-14	11.25%	20,012,411	1,474,117	147,412	-	1,326,706	-	21,339,117	
10	11841100022913	Mercantile Bank Ltd.	Elephant Road	29/04/2014	9.25%	54,234,161	4,170,600	417,060	-	3,753,540	-	57,987,701	
11	11841100022896	Mercantile Bank Ltd.	Elephant Road	29-04-14	9.25%	32,540,496	2,481,046	248,105	-	2,232,942	-	34,773,437	
12	11841100022907	Mercantile Bank Ltd.	Elephant Road	29-04-14	9.25%	10,846,832	827,015	82,702	-	744,314	-	11,591,146	
13	11184115315203	Mercantile Bank Ltd.	Elephant Road	08.07.2015	8.25%	50,000,000	2,666,007	266,601	-	2,399,406	-	52,399,406	
14	1122800000105	Lanka Bangla Finance Limited	Uttara	20.10.2015	8.75%	50,000,000	2,081,427	215,643	-	1,865,784	-	51,865,784	
As at 30 June 2016							21,943,204	2,261,820	-	19,681,384	58,623,011	341,461,157	
							462,049,474	3,289,115	-	28,762,043	58,623,011	432,188,506	
As at 30 June 2015							338,065,156	34,464,546	3,448,349	-	31,016,197	7,031,879	362,049,474



		As at 30 June	
		2016	2015
		<u>Taka</u>	<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	10,020
	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	9,446,071	1,914,254
	Finished goods	97,986,668	64,448,168
		<u>157,339,151</u>	<u>116,268,834</u>
7	TRADE AND OTHER RECEIVABLES		
	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)	161,797	183,367
	Sales center Azampur	34,710	27,090
	TSS Sales Centre	139,524	76,945
	Claims on others	89,741,507	31,701,219
	Claims (miscellaneous)	-	6,741
		<u>98,003,921</u>	<u>39,921,745</u>
8	ADVANCES, DEPOSITS AND PREPAYMENTS		
	Advance to suppliers	31,337,557	29,925,930
	Security deposits suppliers (Note 8.1)	569,691	569,691
	Advance income tax (Note 8.2)	64,697,986	53,272,618
	Adv. to Techno Trade Engr. Ltd	37,143,382	50,836,353
	Pay advance	243,330	450,175
	Travelling advance	1,642	137,872
	Canteen	-	15,405
	Advance to dispatcher	400	400
	Advance revenue stamp	13,723	1,593
	New round up	1,482	1,482
	Union subscription	(70)	(1,350)
	Bank guarantee	15,270,415	15,543,387
	Solar panel	51,000	51,000
	TSS - RBBL Battery Ltd	5,080,235	5,080,235
	VAT current account	299,602	768,788
	Miscellaneous advance	1,124,089	593,902
	Loan to Meter Plant	20,959,610	5,000,000
	Advance to Trade Mail	-	3,800,000
		<u>176,794,074</u>	<u>166,047,481</u>



		<u>As at 30 June</u>	
		2016	2015
		<u>Taka</u>	<u>Taka</u>
8.1	Security deposits to suppliers		
	<u>Name of the party</u>	<u>Year</u>	
	Defence savings certificate	1973-74	1,000
	Dhaka Electric Supply	1970-71	11,757
	AOTR	1973-74	500
	Titas Gas	1990-91	74,410
	Bangladesh Oxygen Ltd.	1988-89	59,148
	Sr. A. O. Collection (Tender earnest money)	1992-93	150,850
	Director Procurement (Security money-fax machine)	1996-97	272,026
		569,691	569,691
8.2	Advance income tax		
	Openig balance	53,272,618	90,909,941
	Add: Addition during the year	11,425,368	4,652,653
		64,697,986	95,562,594
	Less: Adjustment during the year	-	42,289,976
		64,697,986	53,272,618
9	CASH AND CASH EQUIVALENTS		
	Cash in hand	13,229	311,372
	Cash at bank :		
	Sonali Bank, Station Road Br. C/A (A/C No.0040)	2,454	10,700
	Sonali Bank, Station Road Br. STD (A/C No.0001)	7,406,304	5,227,889
	Sonali Bank, B B Avenue Br. C/A (A/C No.5988)	15,317	16,617
	Sonali Bank, B B Avenue Br. STD (A/C No.0045)	737,700	932,400
	Sonali Bank, Kurmitala Br. C/A(A/C No.3027)	6,220	-
	Sonali Bank, Kurmitala Br. STD (A/C No.0018)	1,169,843	5,146
	Mercantile Bank, ER Br. (A/C No.0303)	286,888,248	233,226,428
	Mercantile Bank, Elephant Road Br. CD (A/C No.10000)	-	(381,583)
	Basic Bank, Dilkhusha Br. CD (A/C No.6155)	1,689,867	458,703
	Mercantile Bank, Elephant Road Br.CD(A/C No.8451)	47,318	48,848
	Dormant bank accounts (Note 9.1)	-	12,543
		297,963,271	239,557,691
		297,976,500	239,869,063
9.1	Dormant bank accounts		
	AB Bank Ltd, (code 1141)	-	12,543
		-	12,543



		<u>As at 30 June</u>	
		2016	2015
		<u>Taka</u>	<u>Taka</u>
10	SHARE CAPITAL		
	Authorized Capital		
	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 Capital :		
	The paid-up capital of the company has been contributed by the following persons/Organizations :		
		<u>No of Shares</u>	<u>Face Value</u>
	<u>Name of Shareholders</u>	<u>Per Share</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	65,935,397	62,254,315
	Add : Addition during the year	4,347,450	3,681,082
		<u>70,282,847</u>	<u>65,935,397</u>
14	REVALUATION RESERVE	<u>10,201,172,009</u>	<u>10,201,172,009</u>
15	DEPRECIATION RESERVE FUND		
	Opening balance	609,258,799	596,364,018
	Add : Addition during the year	4,733,209	4,090,874
	Add : Depreciation during the year	8,032,359	8,803,907
		<u>622,024,367</u>	<u>609,258,799</u>



		<u>As at 30 June</u>	
		2016	2015
		<u>Taka</u>	<u>Taka</u>
16	TRADE AND OTHER PAYABLES		
	Trade payables (Note 16.1)	87,215,583	85,509,585
	Other payables (Note 16.2)	706,838,956	496,535,166
		<u>794,054,539</u>	<u>582,044,751</u>
16.1	Trade payables		
	Sundry suppliers	1,779,446	73,448
	Optical Network Unit (ONU)	70,000,000	70,000,000
	Provision for suppliers	15,436,137	15,436,137
		<u>87,215,583</u>	<u>85,509,585</u>
16.2	Other payables		
	Advance from BTCL Department	413,910,136	416,836,136
	Other than BTCL	13,949,025	23,997,843
	Security deposit from suppliers	8,936,026	4,929,125
	Advance for other works	48,747,423	48,747,423
	VAT deducted at source	86,952	566,855
	Income Tax deducted at source	41,341	535,711
	SDH MUX/ Multiplexer	220,245,979	-
	Unused phone card	922,074	922,074
		<u>706,838,956</u>	<u>496,535,166</u>
17	LIABILITY FOR EXPENSES		
	Provision of expenses	1,843,500	1,843,500
	Provision for leave salary	(2,165,393)	(2,165,393)
	Salaries and allowances payable	-	6,596,745
	Benevolent fund	56,760	90,462
	Clearance A/C TSS Officer's Association	-	6,200
	Insurance	145,704	145,704
	Employees income tax	81,266	9,006
	New Bangla Year Allowance	23,132	-
	Provision for audit fee	69,000	-
		<u>53,969</u>	<u>6,526,224</u>
18	PROVISION FOR CORPORATE TAX		
	<u>Year</u>		
	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	2,943,177
	2014 - 2015	3,268,501	3,268,501
	2015 - 2016	4,274,680	-
		<u>19,240,465</u>	<u>14,965,785</u>

Income tax of the company has been settled upto income year 2009 - 2010. The income tax return of the company 2010-2011, 2011-2012, 2012-2013, 2013-2014 and 2014-2015 income year are under the process of settlement.



	For the year ended 30 June	
	2016	2015
	Taka	Taka
19 SALES REVENUE		
Telephone sets	9,280,851	8,961,193
Repair & maintenance	3,712	176,785
PABX (Spare Parts)	70,549,820	38,965,230
Cable work	9,847,157	1,971,644
PABX maintenance	7,770,151	6,694,907
Spare parts (Digital)	60,633,531	12,836,081
BTS tower-teletalk	22,770,951	18,350,755
Digital electric meter	156,583,708	106,086,071
Laptop (Parts & Accessories)	481,820,001	420,424,216
Laptop (Accessories)	98,892,000	-
Office accessories	117,658,800	-
Solar System Supply	70,852,500	-
	<u>1,106,663,182</u>	<u>614,466,882</u>
20 COST OF GOODS SOLD		
Material consumption (Note 20.1)	1,042,159,458	395,953,881
Direct wages (Note 20.2)	19,310,325	19,905,670
Prime cost	<u>1,061,469,783</u>	<u>415,859,551</u>
Add: Factory overhead (Note 20.3)	70,784,607	63,389,324
Add: Opening work in progress	-	-
	<u>1,132,254,390</u>	<u>479,248,875</u>
Less: Closing stock of work in progress	-	-
Cost of goods manufactured	<u>1,132,254,390</u>	<u>479,248,875</u>
Add: Opening finished goods	64,448,168	179,694,336
	<u>1,196,702,558</u>	<u>658,943,211</u>
Less: Closing finished goods	97,986,668	64,448,168
	<u>1,098,715,890</u>	<u>594,495,043</u>
20.1 Material consumption		
Purchase parts for telephone	170,000	4,000
Digital PABX	33,629,547	31,606,206
Digital telephone	3,303,746	1,311,015
Digital meter	143,170,137	120,304,435
OSP Material (fron, Steel & ONU)	523,610	1,842,760
Teletalk tower project expense	21,827,279	15,497,226
Laptop expense	517,813,499	225,388,239
Office accessories	137,873,490	-
Laptop accessories	115,357,400	-
Solar System Supply	68,490,750	-
	<u>1,042,159,458</u>	<u>395,953,881</u>
20.2 Direct wages		
Production wages	5,623,697	4,714,428
House rent allowance	3,425,551	3,976,584
Conveyance allowance	96,116	110,396
Washing allowance	43,839	50,437
Medical allowance	420,501	486,087
Employer's contribution to Providend Fund	1,219,556	845,123
Gratuity	6,580,494	7,080,552
Uniform & liveries	65,367	154,862
Crockeries & cutleries	8,880	-
Overtime	69,528	68,555
Festival bonus	1,389,147	1,866,826
Canteen subsidy	367,649	551,820
	<u>19,310,325</u>	<u>19,905,670</u>



	<u>For the year ended 30 June</u>	
	2016	2015
	<u>Taka</u>	<u>Taka</u>
20.3 Factory overhead		
Pay of officers (Basic)	6,825,908	4,981,894
Digital PABX wages	6,441,709	4,429,962
Indirect wages (Basic)	20,406,074	13,939,410
Daily labour, Ansar salary & bonus	1,924,353	2,156,988
House rent allowance	5,754,926	6,680,661
Conveyance allowance	210,539	241,820
Medical allowance	518,618	599,508
Washing allowance	57,444	66,090
Employer's contribution to Provident Fund	2,390,330	1,656,441
Gratuity	13,709,362	14,751,150
Tools testing equipment	9,000	-
Medical expenses	8,405	-
Uniform & liveries	87,156	206,482
Overtime	602,570	594,140
Festival bonus	2,894,057	3,889,220
Canteen subsidy	517,431	776,636
Gas bill allowance	994	35,410
Travelling expenses others	149,519	168,222
Maintenance of building	67,369	35,054
Maintenance of plant and machinery	405,280	30,000
Power supply maintenance	38,780	19,191
Maintenance of vehicle	436,942	314,039
Printing & stationery	136,320	134,761
Vehicle insurance premium	103,835	89,439
Energy/electricity	1,417,666	1,385,584
General tools	44,490	5,232
Fire fighting (gas) filling	-	39,255
Maintenance of testing equipment	2,880	-
Depreciation	5,622,651	6,162,735
	<u>70,784,607</u>	<u>63,389,324</u>



For the year ended 30 June

	<u>2016</u>	<u>2015</u>
	<u>Taka</u>	<u>Taka</u>
21 ADMINISTRATIVE EXPENSES		
Pay of officers (Basic)	4,364,105	3,185,146
House rent allowance	4,521,728	5,249,091
Conveyance allowance	151,039	173,479
Medical allowance	462,552	534,696
Washing allowance	49,885	57,394
Education allowance	416,774	481,127
Recreation leave	48,100	110,084
Leave salary	2,106,559	3,517,102
Employer's contribution to Provident Fund	1,268,339	878,928
Gratuity	7,128,868	7,670,598
Uniform & liveries	65,367	154,862
Overtime	486,691	479,882
Festival bonus	1,504,910	2,022,394
Canteen subsidy	476,581	715,323
Group insurance	426,788	667,348
Training and Manpower development	16,500	3,000
Annual picnic	-	53,080
Cultural & religious function	21,850	22,980
National day celebration	38,785	21,500
Dignitaries' visit & meeting	110,178	94,940
Travelling expenses PABX	479,865	340,437
Maintenance of building	28,873	15,023
Furniture & Fixtures maintenance	47,395	37,769
Power supply maintenance	16,620	8,225
Maintenance of vehicle	123,240	88,575
Garden maintenance	35,600	2,000
Office supplies (Toner, Tele Line etc.)	101,512	108,210
Printing & office stationery	166,614	164,708
Vehicle insurance premium	55,911	48,159
Municipality tax	818,970	1,784,590
Land revenue	367,528	427,654
Fire brigade charges/fees	35,925	42,000
Energy/electricity	1,308,614	1,279,000
Postage & Courier	9,045	13,150
Telegram & telephone/Internet	428,478	292,713
Travelling expenses others	16,613	18,691
Media advertisement	188,227	234,595
Photostat	5,079	5,523
Bank charge	2,145,237	5,170,759
Audit & professional fees	126,500	-
Legal (Income tax)	50,000	32,000
Consultation fees	-	200,000



For the year ended 30 June

	2016	2015
	<u>Taka</u>	<u>Taka</u>
Entertainment BOD	440,545	119,941
Directors' fees	273,500	135,000
Welfare expenses	32,860	14,770
News paper	17,092	15,208
Consumption of petrol	966,867	679,098
Vehicle tax	76,355	26,616
Income tax expenses	-	623,247
Charge allowance	130,102	96,631
Dearness allowance	412,165	6,068,315
Maintenance inventory & office equipment	3,500	19,000
Employees income tax expenses	-	1,567,249
VAT expenses	-	153,180
New Bangla Year Allowance	718,486	-
Legal law advise expenses	112,000	-
Depreciation	2,409,708	2,641,172
Miscellaneous	114,957	15,238
	<u>35,929,581</u>	<u>48,581,400</u>

22 NON-OPERATING INCOME

Bank interest received	29,795,805	30,776,997
Sale of tender documents	850	4,250
Miscellaneous	10,399,004	7,166,889
	<u>40,195,659</u>	<u>37,948,136</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 2016

Particulars	2015-2016		2014-2015	
	Amount in Taka	Ratio	Amount in Taka	Ratio
Current Ratio :				
Current Assets	730,113,646	0.86:1	562,107,122	0.88:1
Current Liabilities	845,643,041		632,373,354	
Quick Ratio :				
Current Assets - Inventory	572,774,495	0.68:1	445,838,288	0.70:1
Current Liabilities	845,643,041		632,373,354	
Current Ratio to Fixed Assets				
Current Assets	730,113,646	0.07	562,107,122	0.05
Fixed Assets (at revalued)	10,555,397,257		10,555,221,417	
Gross Margin :				
Gross profit	7,947,292	0.72%	19,971,839	3.25%
Sales Revenue	1,106,663,182		614,466,882	
Net Margin :				
Net profit after tax	7,938,690	0.72%	6,070,074	0.99%
Sales Revenue	1,106,663,182		614,466,882	
Return on Capital Employed (ROCE):				
PBIT	12,213,370	0.11%	9,338,575	0.09%
Capital Employed	10,936,997,023		10,911,945,315	
Inventory Management/Turnover Ratio :				
Cost of Goods Sold	1,098,715,890	8.03	594,495,043	3.41
Avg. Inventory	136,803,993		174,466,938	
Inventory to Working Capital :				
Inventory	157,339,151	-1.36	116,268,834	-1.65
Working Capital	(115,529,395)		(70,266,231)	
Direct Wages to Cost of Goods Manufactured :				
Direct Wages	19,310,325	0.02	19,905,670	0.04
Cost of Goods Manufactured	1,132,254,390		479,248,875	

