

**Auditor's Report and Audited Financial Statements  
of  
Subex Bangladesh Private Limited  
For the year ended on 31 March 2024**

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF SUBEX BANGLADESH PRIVATE LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of Subex Bangladesh Private Limited (the Company), which comprise the statement of financial position as at 31 March 2024, 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as explained in note # 2 to the financial statements.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

In Note #21 to the financial statements, the Company disclosed the status of VAT audit for the period from February 2020 to March 2022.

Our opinion is not modified for the above matter.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Board of Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon since we have not been provided with any such information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially

misstated. if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. However, when we read the Directors Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with IFRSs as explained in note # 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to discontinue the Company or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



**ACNABIN**

Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We also report that:

- a) we have obtained all the material information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the Company's statement of financial position and statement of profit or loss and other comprehensive income with the note # 1 to 24 dealt with by the report are in agreement with the books of accounts.

Dated, Dhaka

**29 MAY 2024**

**ACNABIN, Chartered Accountants**

FRC Registration # CAF-001-012

**Abu Sayed Mohammed Nayeem, FCA**

Partner

ICAB Enrolment Number: 0353

DVC:2405290353AS483498



**Subex Bangladesh Private Limited**  
**Statement of financial position**  
**As at 31 March 2024**

|                                                    |       | (Amounts in BDT)           |                            |
|----------------------------------------------------|-------|----------------------------|----------------------------|
|                                                    | Notes | As at<br>31 March 2024     | As at<br>31 March 2023     |
| <b>ASSETS</b>                                      |       |                            |                            |
| <b>Non Current assets</b>                          |       |                            |                            |
| Property, Plant, and Equipment (Computer Hardware) |       | 113,575                    | 113,575                    |
| Less: Accumulated Depreciation                     |       | (106,485)                  | (75,272)                   |
|                                                    |       | <u>7,090</u>               | <u>38,303</u>              |
| <b>Current assets</b>                              |       |                            |                            |
| <b>Financial assets</b>                            |       |                            |                            |
| Trade receivables                                  | 4     | 58,518,597                 | 51,857,501                 |
| Cash and cash equivalents                          | 5     | 79,313,861                 | 102,298,955                |
| Other financial assets                             | 6     | 697,061                    | 978,861                    |
| Other assets                                       | 7     | 1,588,785                  | 4,174,299                  |
| Advance income tax                                 | 8     | 30,236,173                 | 23,813,039                 |
|                                                    |       | <u>170,354,477</u>         | <u>183,122,655</u>         |
| <b>Total assets</b>                                |       | <u><b>170,361,567</b></u>  | <u><b>183,160,959</b></u>  |
| <b>EQUITY AND LIABILITIES</b>                      |       |                            |                            |
| <b>Equity</b>                                      |       |                            |                            |
| Equity share capital                               | 9     | 9,700                      | 9,700                      |
| Retained Earnings                                  | 10    | (17,720,479)               | (13,485,730)               |
| <b>Total equity</b>                                |       | <u><b>(17,710,779)</b></u> | <u><b>(13,476,030)</b></u> |
| <b>Liabilities</b>                                 |       |                            |                            |
| <b>Current liabilities</b>                         |       |                            |                            |
| <b>Financial liabilities</b>                       |       |                            |                            |
| Trade payables                                     | 11    | 133,644,157                | 160,227,723                |
| Provision for Current Tax                          | 12    | 28,913,256                 | 22,490,124                 |
| Other current liabilities                          | 13    | 25,514,934                 | 13,919,143                 |
| <b>Total liabilities</b>                           |       | <u><b>188,072,346</b></u>  | <u><b>196,636,989</b></u>  |
| <b>Total equity and liabilities</b>                |       | <u><b>170,361,567</b></u>  | <u><b>183,160,959</b></u>  |

The accompanying notes are an integral part of the financial statements

As per our report of even date

*Sumit Kumar*

**Sumit Kumar**  
Managing Director

Place: Bengaluru

Date: **10 MAY 2024**

*Nisha Dutt*

**Nisha Dutt**  
Director



**ACNABIN, Chartered Accountants**  
FRC Registration # CAF-001-012

*Abu Sayed Mohammed Nayeem*  
**Abu Sayed Mohammed Nayeem, FCA**  
Partner

ICAB Enrolment Number: 0353

DVC : 2405290353AS483498

**Subex Bangladesh Private Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2024**

|                                                           |       | (Amounts in BDT)            |                             |
|-----------------------------------------------------------|-------|-----------------------------|-----------------------------|
|                                                           | Notes | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
| <b>1 Income</b>                                           |       |                             |                             |
| Revenue                                                   | 14    | 57,470,993                  | 63,981,772                  |
| <b>Total revenue</b>                                      |       | <b>57,470,993</b>           | <b>63,981,772</b>           |
| <b>2 Other Income</b>                                     | 15    | -                           | -                           |
| <b>Total Other Income</b>                                 |       | <b>-</b>                    | <b>-</b>                    |
| <b>3 Expenses</b>                                         |       |                             |                             |
| Sub-contracting charges                                   | 16.1  | 26,132,197                  | 47,933,577                  |
| Other expenses                                            | 16.2  | 29,150,412                  | 13,663,999                  |
| <b>Total expenses</b>                                     |       | <b>55,282,609</b>           | <b>61,597,576</b>           |
| <b>4 Profit before tax expense (1+2-3)</b>                |       | <b>2,188,384</b>            | <b>2,384,195</b>            |
| <b>5 Tax expense:</b>                                     |       |                             |                             |
| Current tax                                               | 12    | 6,423,133                   | 10,157,749                  |
|                                                           |       | <b>6,423,133</b>            | <b>10,157,749</b>           |
| <b>6 Profit for the year (4-5)</b>                        |       | <b>(4,234,749)</b>          | <b>(7,773,554)</b>          |
| <b>7 Other comprehensive income ('OCI'), net of tax</b>   |       | -                           | -                           |
| <b>8 Total comprehensive income for the year (6+7)</b>    |       | <b>(4,234,749)</b>          | <b>(7,773,554)</b>          |
| <b>9 Basic and diluted earning per equity share (BDT)</b> | 17    | <b>(43,657)</b>             | <b>(80,140)</b>             |

The accompanying notes are an integral part of the financial statements

As per our report of even date

*Sumit Kumar*

**Sumit Kumar**  
Managing Director

Place: Bengaluru

Date: 10 MAY 2024

*Nisha Dutt*

**Nisha Dutt**  
Director



**ACNABIN, Chartered Accountants**  
FRC Registration # CAF-001-012

*Abu Sayed Mohammed Nayeem*

**Abu Sayed Mohammed Nayeem, FCA**  
Partner

ICAB Enrolement Number: 0353

DVC: 2405290353AS483498

**Subex Bangladesh Private Limited**  
**Statement of changes in equity**  
**For the year ended 31 March 2024**

**A. Equity share capital (refer note 9 and 10):**

| (Amounts in BDT)                            |               |                   |              |
|---------------------------------------------|---------------|-------------------|--------------|
| Particulars                                 | Share Capital | Retained earnings | Total        |
| As at 1st April 2022                        | 9,700         | (5,712,176)       | (5,702,476)  |
| Net profit for the year ended March 31 2022 | -             | (7,773,554)       | (7,773,554)  |
| Balance as at March 31, 2023                | 9,700         | (13,485,730)      | (13,476,030) |
| Net profit for the year ended March 31 2023 | -             | (4,234,749)       | (4,234,749)  |
| Other comprehensive income                  | -             | -                 | -            |
| Balance as at March 31, 2024                | 9,700         | (17,720,479)      | (17,710,779) |

The accompanying notes are an integral part of the financial statements

As per our report of even date

*Sumit Kumar*

**Sumit Kumar**  
Managing Director

Place: Bengaluru

Date: 10 MAY 2024

*Nisha Dutt*

**Nisha Dutt**  
Director



**ACNABIN, Chartered Accountants**  
FRC Registration # CAF-001-012

*Abu Sayed Mohammed Nayeem*

**Abu Sayed Mohammed Nayeem, FCA**  
Partner

ICAB Enrolment Number: 0353

DVC: 2405290353AS483498

**Subex Bangladesh Private Limited**  
**Statement of cash flows**  
**For the year ended 31 March 2024**

|                                                               | (Amounts in BDT)            |                             |
|---------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                               | Year ended<br>31 March 2024 | Year ended<br>31 March 2023 |
| <b>A Operating activities</b>                                 |                             |                             |
| Profit before tax expense                                     | 2,188,384                   | 2,384,195                   |
| <i>Property, Plant, and Equipment (Computer Hardware)</i>     |                             |                             |
| Less: Accumulated Depreciation                                | 31,213                      | 43,015                      |
| Net foreign exchange differences (Unrealized)                 | -                           | -                           |
| <b>Operating loss before working capital changes</b>          | <b>2,219,597</b>            | <b>2,427,210</b>            |
| <i>Working capital adjustments:</i>                           |                             |                             |
| (Increase)/ decrease in trade receivables                     | (6,661,096)                 | 13,768,150                  |
| Increase/(decrease) in trade payables                         | (26,583,565)                | 63,218,441                  |
| (Increase)/ decrease in other financial assets                | 281,800                     | 19,802,054                  |
| (Increase)/ decrease in other assets                          | 2,585,514                   | (3,816,376)                 |
| Increase/ (decrease) in other current liabilities             | 11,595,791                  | 5,921,054                   |
| (Increase)/ decrease in advance income tax                    | (6,423,134)                 | (10,576,486)                |
| <b>Net cash flows (used in)/ from operating activities</b>    | <b>(22,985,093)</b>         | <b>90,744,046</b>           |
| <b>B Investing activities</b>                                 |                             |                             |
| Capital Expenditure                                           | -                           | -                           |
| <b>Net cash flows from investing activities</b>               | <b>-</b>                    | <b>-</b>                    |
| <b>C Financing activities</b>                                 |                             |                             |
| Proceeds from issue of share capital                          | -                           | -                           |
| <b>Net cash flows used in financing activities</b>            | <b>-</b>                    | <b>-</b>                    |
| <b>D Net increase in cash and cash equivalents (A+B+C)</b>    | <b>(22,985,093)</b>         | <b>90,744,046</b>           |
| Net foreign exchange difference on cash and cash equivalents  | -                           | -                           |
| Cash and cash equivalents at the beginning of the year        | 102,298,955                 | 11,554,909                  |
| <b>E Cash and cash equivalents at year end (refer note 5)</b> | <b>79,313,861</b>           | <b>102,298,955</b>          |

The accompanying notes are an integral part of the financial statements

As per our report of even date

*Sumit Kumar*

**Sumit Kumar**  
Managing Director

*Nisha Dutt*

**Nisha Dutt**  
Director



Place: Bengaluru  
Date: 10 MAY 2024



Subex Bangladesh Private Limited  
Notes to the financial statements  
For the year ended 31 March 2024

**1.0 Status of the Company**

**1.1 Corporate information**

Subex Bangladesh Private Limited (the 'Company') was formed and incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh on February 13, 2020 under the Companies Act 1994 as a private limited company limited by shares vide Registration no: C159455/2020. The address of the registered office of the company is Wakil Tower, Ta-131 (8th Floor) Gulshan Badda Link Road, Gulshan, Dhaka-1212, Bangladesh.

**1.2 Nature of business**

The principal activities of the Company are those of providing software solutions for fraud management and revenue assurance in the telecommunication industry. There have been no significant changes in the nature of these activities during the financial year.

**2.0 Significant accounting policies and basis of preparation of financial statements**

**2.1 Basis of accounting**

These financial statements have been prepared on going concern and accrual basis and in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other laws and rules applicable in Bangladesh.

**2.2 Property, plant and equipment and related depreciation**

Property, plant, and equipment in the Statement of Financial Position are stated at cost less accumulated depreciation. Depreciation on the items of property, plant and equipment is recognized on a straight line basis over the estimated useful life of each item of property, plant and equipment. The depreciation rate for computer equipment is 33.33%. Depreciation is charged on daily basis and started to charge on the date when asset is available for use.

**2.3 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset which may be specified explicitly or implicitly. The asset should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has the right when it has the decision-making rights that are most relevant to determining how and for what purpose the asset is used.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets identified under the standard are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Facilities; the initial term of the lease.

The Lease liabilities are initially measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero."

The Company applied the low-value lease recognition exemption to its leases of facilities. Lease payments on short-term leases and leases of low value assets are recognized as expense in profit or loss on a straight-line basis over the lease term.

**Subex Bangladesh Private Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

The Company's right-of-use assets and the current and non-current portion of lease liabilities are included as separate line items within the statement of financial position.

The Company determined whether the arrangement was or contains a lease based on the assessment of whether:

Fulfillment of the arrangement was dependent on the use of a specific asset or assets; and the arrangement had conveyed a right to use the asset either, by having the ability or right to operate or have physical access to the asset and that other parties would benefit from the output while obtaining or controlling more than an insignificant amount of the output. The Company has one low value lease agreement for one year with option to extend for another one year. The rental payment has been shown as expense in the profit and loss accounts as per policy mentioned above.

**2.4 Components of the financial statements**

According to the International Accounting Standards (IAS)-I as adopted by ICAB as IAS-I "Presentation of Financial Statements" the complete set of financial statements includes the following components-

- a. Statement of Financial Position;
- b. Statement of Profit or Loss and Other Comprehensive Income;
- c. Statement of Changes in Equity;
- d. Statement of Cash Flows;
- e. Notes, comprising significant accounting policies and other explanatory information; and
- f. Comparative information in respect of preceding period.

**2.5 Statement of compliance**

These financial statements are prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

The Company is also required to comply with the following major laws and regulations in addition to the Companies Act 1994:

The Income Tax Ordinance, 1984 and Income Tax Act 2023

The Income Tax Rules, 1984

The Value Added Tax and Supplementary Duty Act, 2012

Foreign Exchange Regulation Act, 1947

The Customs Act, 1969

**2.6 Basis of measurement**

These financial statements have been prepared on a going concern basis under historical cost convention.

**2.7 Functional and presentation currency**

These financial statements are presented in BDT which is the company's functional currency. All financial information presented in BDT has been rounded to nearest BDT. The Company considered Average rate USD 1 = BDT 109.08 and INR 1 = 1.30 BDT during the year for converting all the transactions incurred in USD and INR document currency.

**2.8 Use of estimates and judgments**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**2.9 Going Concern**

The Company was incorporated on 13 February 2020 and the commercial operation of the Company commenced on 13 February 2020. The Company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements.

**2.10 Statement of Cash flows**

Statement of Cash Flows is prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from the operating activities are shown under the indirect method.

**2.11 Reporting period**

The reporting period for the Company is from 01 April 2023 to 31 March 2024.

**Subex Bangladesh Private Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**2.12 Comparative figures**

As per IAS 1 Presentation of Financial Statements, comparative information in respect of the previous year are presented in all numerical information in the financial statements and the narrative and descriptive information where, it is relevant for understanding of the current year's financial information.

**2.13 Use of estimates and judgments**

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

**2.14 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash in transit and cash at bank which are available for use by the Company without any restriction.

**2.15 Advances, deposits and prepayments**

Advances, deposits and prepayments at the balance sheet date are stated net of provision for amounts estimated to be doubtful of recovery.

**2.16 Receivables**

Receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses, if any, due to uncollectibility of any amount so recognized.

**2.17 Unbilled revenue**

Unbilled revenue is recognized when the Company provides service to the customer, but yet to raise invoice/ bill as per the contract.

**2.18 Unearned Revenue**

Unearned revenue is recognized when the Company raises invoice as per the contract, but yet to provide the service.

**2.19 Trade and other payables**

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits.

**2.20 Revenue**

Revenue is recognised in compliance with the requirements of IFRS-15. As per IFRS-15 revenue from the sale of services is measured at the fair value of the consideration received or receivable, net of returns. Revenue has been recognised over a period of time based on the service agreement between the customer and the Company.

**2.21 Provisions**

Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If a transfer of economic benefit is no longer probable the provision is reversed. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure required to settle the obligation.



**Subex Bangladesh Private Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**2.22 Foreign currency transaction**

The financial statements are presented in BDT, which is Company's functional currency. Transactions in foreign currencies are recorded in the books of accounts at the closing rate as at 31 March 2023. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange rate differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss as per IAS- 21 "The Effects of Changes in Foreign Exchange Rates".

**2.23 The following IASs and IFRSs are applicable for the preparation and presentation of financial statements as at 31 March 2024 and for the year ended 31 March 2024:**

| Sl. No. | Name of IAS/IFRS                                                | IAS / IFRS | Status       |
|---------|-----------------------------------------------------------------|------------|--------------|
| 1       | Presentation of Financial Statements                            | IAS 1      | Complied     |
| 2       | Statements of Cash Flows                                        | IAS 7      | Complied     |
| 3       | Accounting Policies, Changes in Accounting Estimates and Errors | IAS 8      | Complied     |
| 4       | Events after the Reporting Period                               | IAS 10     | Not Applied* |
| 5       | Income Taxes                                                    | IAS 12     | Complied     |
| 6       | Property, Plant and Equipment                                   | IAS 16     | Complied     |
| 7       | The Effects of Changes in Foreign Exchange Rates                | IAS 21     | Complied     |
| 8       | Related Party Disclosures                                       | IAS 24     | Complied     |
| 9       | Earnings Per Share                                              | IAS 33     | Complied     |
| 10      | Impairment of Assets                                            | IAS 36*    | Not Applied* |
| 11      | Provisions, Contingent Liabilities and Contingent Assets        | IAS 37     | Complied     |
| 12      | Financial Instrument: Recognition and Measurement               | IAS 39     | N/A          |
| 13      | Financial Instruments: Disclosures                              | IFRS 7     | N/A          |
| 14      | Financial Instruments                                           | IFRS 9     | N/A          |
| 15      | Fair Value Measurement                                          | IFRS 13    | N/A          |
| 16      | Revenue from Contracts with Customers                           | IFRS 15    | Complied     |
| 17      | Leases                                                          | IFRS 16*   | Not Applied* |

\*Not Applied due to not having relevant transactions/events during the year.

**2.24 Taxation**

**2.24.1 Current tax**

Income tax expense is recognized in profit and loss account. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company qualifies as a "Private Limited Company" hence the applicable tax rate is 27.5%.

**2.24.2 Deferred tax**

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**2.25 Events after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

**2.26 Earnings/ (loss) per share**

Basic earnings/ (loss) per share is computed by dividing the profit/ (loss) after tax attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

**2.27 Authorization for issue**

These financial statements have been authorized for issue by the management of the Company on 10.05.2024

**3.00 General**

Figures in bracket denote negative. All financial information presented in BDT has been rounded to nearest BDT.

Subex Bangladesh Private Limited  
Notes to the financial statements  
For the year ended 31 March 2024

|                                                                    | (Amounts in BDT)       |                        |
|--------------------------------------------------------------------|------------------------|------------------------|
|                                                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>4. Trade receivables</b>                                        |                        |                        |
| Unsecured, considered good                                         | 58,518,597             | 51,857,501             |
|                                                                    | <b>58,518,597</b>      | <b>51,857,501</b>      |
| <b>Impairment allowance (allowance for bad and doubtful debts)</b> |                        |                        |
| Unsecured, considered good                                         | -                      | -                      |
| <b>Total (b)</b>                                                   | <b>-</b>               | <b>-</b>               |
| <b>Net Trade Receivables (a-b)</b>                                 | <b>58,518,597</b>      | <b>51,857,501</b>      |

Net trade receivables inter-alia includes receivables for two invoices amounting to BDT 344,540 and BDT 563,709 for which the due dates to receive the payments from clients have passed, though it is not yet over 365 days in all the cases. We are confident that the amount will be recoverable.

|                                       | (Amounts in BDT)       |                        |
|---------------------------------------|------------------------|------------------------|
|                                       | As at<br>31 March 2024 | As at<br>31 March 2022 |
| <b>5. Cash and cash equivalents</b>   |                        |                        |
| Balance with banks                    |                        |                        |
| In current accounts                   | 79,313,861             | 102,298,955            |
|                                       | <b>79,313,861</b>      | <b>102,298,955</b>     |
| <b>Balance with</b>                   |                        |                        |
| HSBC Bank (A/C# 001-012822-011)       | 79,306,251             | 102,291,345            |
| Woori Bank Dhaka (A/C# 1509230938604) | 7,610                  | 7,610                  |
|                                       | <b>79,313,861</b>      | <b>102,298,955</b>     |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the total of current portion of cash and cash equivalents as above.

|                                  | (Amounts in BDT)       |                        |
|----------------------------------|------------------------|------------------------|
|                                  | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>6. Other Financial Assets</b> |                        |                        |
| Unbilled revenue                 | 697,061                | 978,861                |
|                                  | <b>697,061</b>         | <b>978,861</b>         |

|                                                 | (Amounts in BDT)       |                        |
|-------------------------------------------------|------------------------|------------------------|
|                                                 | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>7. Other assets</b>                          |                        |                        |
| Advance to suppliers                            | -                      | -                      |
| VAT Current Account (Asset Position) (Note #13) | 1,588,785              | -                      |
| Prepayments                                     | -                      | 4,174,299              |
|                                                 | <b>1,588,785</b>       | <b>4,174,299</b>       |

|                                          | (Amounts in BDT)       |                        |
|------------------------------------------|------------------------|------------------------|
|                                          | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>8. Advance income tax</b>             |                        |                        |
| Opening Balance                          | 23,813,039             | 13,236,553             |
| Tax deducted at source during this year  | 6,423,134              | 10,576,486             |
| VAT deducted at source during this year* | -                      | -                      |
|                                          | <b>30,236,173</b>      | <b>23,813,039</b>      |

\* Subex Bangladesh Pvt. Ltd. has reclassified VAT Deduction at Source (VDS) to VAT payable under Other Current Liabilities for the comparative year since this liability has arisen on the account of Output VAT.

**Subex Bangladesh Private Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

**9. Share capital**

**Authorised share capital**

At the time of incorporation

As at 31 March 2023

Increase during the year

As at 31 March 2024

| No.    | BDT       |
|--------|-----------|
| 10,000 | 1,000,000 |
| 10,000 | 1,000,000 |
| -      | -         |
| 10,000 | 1,000,000 |

**Issued, subscribed and fully paid-up share capital**

**Equity shares of BDT 100 each issued, subscribed and fully paid-up**

**Opening**

Issued during the year

As at 31 March 2023

Increase during the year

As at 31 March 2024

| No. | BDT   |
|-----|-------|
| 97  | 9,700 |
| -   | -     |
| 97  | 9,700 |
| -   | -     |
| 97  | 9,700 |

**(a) Terms/rights attached to equity shares**

The Company has only one class of equity shares having par value of BDT 100 per share. Each holder of equity shares is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividend, if any, in USD currency. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has not declared any dividend during the year ended 31 March 2024.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts (i.e. all liabilities other than equity). The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) Shares held by holding LLP:**

**Equity shares of BDT 100 each issued, subscribed and fully paid-up**

Subex Assurance LLP

Subex Digital LLP

| As at 31 March 2024 |       |
|---------------------|-------|
| No.                 | BDT   |
| 96                  | 9,600 |
| 1                   | 100   |
| 97                  | 9,700 |

**(c) Details of shares held by each shareholder holding more than 5% shares in the Company**

**Equity shares of BDT 100 each issued, subscribed and fully paid-up**

Name of the shareholders

Subex Assurance LLP

As at 31 March 2023

Increase during the year

As at 31 March 2024

| No. | % of total shares |
|-----|-------------------|
| 96  | 98.97%            |
| -   | -                 |
| 96  | 98.97%            |

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) The Company has not issued any bonus shares or shares for consideration other than cash or bought back shares during the period of five years immediately preceding the reporting date. Further, the Company has no shares reserved for issue under any options.



Subex Bangladesh Private Limited  
Notes to the financial statements  
For the year ended 31 March 2024

|                                     | (Amounts in BDT)       |                        |
|-------------------------------------|------------------------|------------------------|
|                                     | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>10. Retained Earnings</b>        |                        |                        |
| Opening Balance                     | (13,485,730)           | (5,712,176)            |
| Add: Profit/ (Loss) during the year | (4,234,749)            | (7,773,554)            |
| <b>Closing balance</b>              | <b>(17,720,479)</b>    | <b>(13,485,730)</b>    |

**11. Trade payables**

Carried at amortized cost

**Current**

|                                                           |                    |                    |
|-----------------------------------------------------------|--------------------|--------------------|
| Trade payables                                            |                    |                    |
| - sub-contracting charges                                 | 98,066,205         | 135,906,087        |
| - Reimbursement of expenses received from related parties | 31,695,141         | 23,821,144         |
| - Payable for Expenses                                    | 3,882,811          | 500,492            |
|                                                           | <b>133,644,157</b> | <b>160,227,723</b> |

Terms and conditions of the above financial liabilities:

- trade payables are non-interest bearing and are normally settled on 30 - 90 days terms.
- for explanations on the Company's liquidity risk management, refer note 23.

\* Refer to note 18 for the details regarding payable to related parties. The balance of payable to the Parent Company/ Ultimate parent company will be remitted to or settled with the Parent Company following the Foreign Exchange Regulation Act, 1947 and Guidelines for Foreign Exchange Transaction, 2018 of Bangladesh Bank.

\*\* The payable for expenses are exclusive of VAT.

|                                      | (Amounts in BDT)       |                        |
|--------------------------------------|------------------------|------------------------|
|                                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>12. Provision for Current Tax</b> |                        |                        |
| Opening Balance                      | 22,490,124             | 12,332,373             |
| Add: Addition during the year*       | 6,423,131              | 10,157,750             |
| Less: Adjustment during the year     | -                      | -                      |
|                                      | <b>28,913,256</b>      | <b>22,490,124</b>      |

\*The minimum tax payable by the Company as per Section 163 of Income Tax Act, 2023, has been kept as a provision for current tax during the year, which is the higher amount among the minimum tax on gross receipt and the amount of tax deducted or collected at source.

|                                                   | (Amounts in BDT)       |                        |
|---------------------------------------------------|------------------------|------------------------|
|                                                   | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>13. Other current liabilities</b>              |                        |                        |
| Unearned revenue                                  | 25,445,950             | 11,591,180             |
| Statutory Remittances                             | 68,984                 | 7,034                  |
| VAT Current Account (Liability Portion) (Note #7) | -                      | 2,320,929              |
|                                                   | <b>25,514,934</b>      | <b>13,919,143</b>      |



**Subex Bangladesh Private Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2024**

|                                        | Notes  | (Amounts in BDT)  |                   |
|----------------------------------------|--------|-------------------|-------------------|
|                                        |        | 2024              | 2023              |
| <b>14. Revenue</b>                     |        |                   |                   |
| Sale of products                       |        | -                 | -                 |
| Sale of services                       |        | 57,470,993        | 63,981,772        |
|                                        |        | <b>57,470,993</b> | <b>63,981,772</b> |
| <b>14.1 Disaggregation of revenue:</b> |        |                   |                   |
| <b>Revenue by offering</b>             |        |                   |                   |
| Managed services                       | 14.1.1 | 26,940,409        | 49,416,059        |
| Marketing and allied services          | 14.1.2 | 30,530,584        | 14,565,713        |
|                                        |        | <b>57,470,993</b> | <b>63,981,772</b> |

**14.1.1** The revenue from managed service is recognized as per the tri-party agreement among Subex Bangladesh Private Limited, Subex Limited (the ultimate parent company or Subex Limited), and Robi Axiata Limited for Revenue Assurance and Fraud Management Solution, Integration Services, Managed Services, and Maintenance Services. As per the agreement, the service is provided to Robi directly by the ultimate parent company, and the Purchase Order is issued in the name of Subex Bangladesh. The invoice is also raised by the Company (Subex Bangladesh). Besides, there is a separate sub-contracting agreement between Subex Bangladesh and the ultimate parent company (Subex Limited) which denotes that the Company should retain 3% of the contract price and pay 97% to the ultimate parent company (Subex Limited). The amount of managed services shown as BDT 26,940,409 represent 100% of such revenue, 97% of which are shown as sub-contracting charges under Note 16.1 below.

**14.1.2** The Company has an agreement with its ultimate parent company, Subex Limited. As per the agreement Subex Bangladesh shall provide Subex Limited, marketing and allied services with respect to RMS product-based solutions as may be requested for, by Subex Limited from time to time. In consideration of the marketing and allied services to be provided under the above-mentioned Agreement, Subex Limited shall pay the invoice value by adding an arm's length mark-up of 5% on actual marketing costs, technical costs and cost of hardware supplies, if any, and other similar expenses, which are specifically attributable to the rendering of marketing and allied services.

|                         | (Amounts in BDT) |          |
|-------------------------|------------------|----------|
|                         | 2024             | 2023     |
| <b>15. Other Income</b> |                  |          |
| Realized Gain/ Loss*    | -                | -        |
| Unrealized Gain/ Loss*  | -                | -        |
|                         | <b>-</b>         | <b>-</b> |

The Company has an agreement with its ultimate parent company, Subex Limited. As per the agreement any foreign exchange loss/gain incurred/earned by the Overseas Affiliates shall be reimbursed/recovered to/from the Overseas Affiliates by Subex Limited (ultimate parent company). This year Subex Bangladesh Private Limited incurred a net unrealized foreign exchange gain of BDT 7,58,669 during the year FY 2023-24.

As per the above-mentioned agreement, this foreign exchange gain BDT 7,58,669 will lead to an increase in Intercompany Payables to parent company (Subex Limited) as the incurred net foreign exchange gain BDT 7,58,669 will be settled to the parent company (Subex Limited). Hence, the Intercompany Payables to parent company (Subex Limited) and the Intercompany Receivables from parent company (Subex Limited), to this extent, has been netted off and no foreign exchange gain/loss has been recognized in this regard.

Subex Bangladesh Private Limited  
Notes to the financial statements  
For the year ended 31 March 2024

**16. Expenses**

|                                                    | (Amounts in BDT)  |                   |
|----------------------------------------------------|-------------------|-------------------|
|                                                    | 2024              | 2023              |
| <b>16.1 Sub-contracting charges*</b>               |                   |                   |
| For the period from 01 April 2022 to 31 March 2023 | -                 | 47,933,577        |
| For the period from 01 April 2023 to 31 March 2024 | 26,132,197        |                   |
|                                                    | <b>26,132,197</b> | <b>47,933,577</b> |

\*There is a sub-contracting agreement between Subex Bangladesh and the ultimate parent Company (Subex Limited) which denotes that the Company should retain 3% of the contract price received from the Customer and pay 97% to the ultimate parent Company (Subex Limited). This expense is shown as sub-contracting charges and the payable for the same is recognized under the head 'trade payables'.

|                                          | (Amounts in BDT)  |                   |
|------------------------------------------|-------------------|-------------------|
|                                          | 2024              | 2023              |
| <b>16.2 Other expenses</b>               |                   |                   |
| Consultancy Fees                         | 2,001,790         | 690,943           |
| Audit Fees                               | 184,816           | 137,116           |
| Rates and taxes                          | 9,837,436         | 348,486           |
| Bank charges                             | 73,690            | 76,168            |
| Accounting & Payroll Charges             | 248,345           | 258,567           |
| Contracted Services - Contingent Workers | 1,237,536         | 1,161,000         |
| Depreciation - Computer Hardware         | 31,213            | 43,015            |
| Filing Fees                              | -                 | -                 |
| Maintenance Software (Applications)      | 7,637,589         | 3,240,247         |
| Office Rent                              | 24,000            | 24,000            |
| Purchases - Indigenous                   | 7,873,997         | 7,684,458         |
| Recruitment Expenses - Advertisement     | -                 | -                 |
| Miscellaneous expenses                   | -                 | -                 |
| Unrealized gain                          | -                 | -                 |
|                                          | <b>29,150,412</b> | <b>13,663,999</b> |

**17. Earnings per share**

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 March 2024 as per IAS- 33 "Earnings per share". Diluted earnings per share was not required to calculate as there was no dilution possibility during the year.

| Computation of basic and diluted EPS:*             | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------|------------------------|------------------------|
| Nominal value per equity share (BDT per share)     |                        |                        |
| Profit attributable to equity shareholders (BDT)   | (4,234,749)            | (7,773,554)            |
| Weighted average number of equity shares           | 97                     | 97                     |
| Profit per share basic and diluted (BDT per share) | (43.657)               | (80.140)               |

\* The Company does not have any potential dilutive equity shares as at 31 March 2024

# 18. Related party transactions

## i. Related parties where control exists

Holding LLP Subex Assurance LLP

Details of the transactions with the related parties during the year ended March 31, 2024:

| Particulars                                                 |                      | (Amounts in BDT)       |                        |
|-------------------------------------------------------------|----------------------|------------------------|------------------------|
|                                                             |                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>A. Transactions with related parties during the year</b> | <b>Relationship</b>  |                        |                        |
| <b>Marketing and allied service income:</b>                 |                      |                        |                        |
| Subex Limited                                               | Ultimate Parent      | 30,526,111             | 14,553,343             |
| Subex Digital LLP                                           | Shareholding Company | 4,472                  | 12,369                 |
|                                                             |                      | <b>30,530,583</b>      | <b>14,565,712</b>      |
| <b>Sub contracting charges</b>                              |                      |                        |                        |
| Subex Limited                                               | Ultimate Parent      | 26,132,197             | 47,183,114             |
| Subex Digital LLP                                           | Shareholding Company |                        | 750,463                |
|                                                             |                      | <b>26,132,197</b>      | <b>47,933,577</b>      |

## ii. Details of balances receivable from and payable to related parties are as follows:

| Particulars                                    |                      | (Amounts in BDT)       |                        |
|------------------------------------------------|----------------------|------------------------|------------------------|
|                                                |                      | As at<br>31 March 2024 | As at<br>31 March 2023 |
| <b>A. Balances receivable from and payable</b> | <b>Relationship</b>  |                        |                        |
| <b>Trade receivables</b>                       |                      |                        |                        |
| Subex Limited                                  | Ultimate Parent      | 48,966,021             | 18,439,910             |
| Subex Digital LLP                              | Shareholding Company | 248,721                | 244,248                |
| Subex (Asia Pacific) Pte. Limited              | Group Company        | 522,412                | 522,412                |
|                                                |                      | <b>49,737,154</b>      | <b>19,206,570</b>      |
| <b>Trade payables</b>                          |                      |                        |                        |
| Subex Limited                                  | Ultimate Parent      | 110,286,562            | 140,252,447            |
| Subex Digital LLP                              | Shareholding Company | 8,487,710              | 8,487,710              |
| Subex (Asia Pacific) Pte. Limited              | Group Company        | 10,987,074             | 10,987,074             |
|                                                |                      | <b>129,761,346</b>     | <b>159,727,231</b>     |

# 19. No of employee

The total number of employees at the reporting date is Nil. The income generating services are provided by the employees of the Ultimate parent Company, and the support services like, accounting, taxation etc., have been subcontracted out locally.

# 20. Capital expenditure commitment

None

# 21. Contingent liability

- The Customs, Excise and VAT Commissionerate, Dhaka (West) (the Authority) initiated a VAT audit of Subex Bangladesh Private Limited (The Company) vide its letter #3(9)189 Commi:West/Audit Order/2017/4359 dated 17 September 2022 for the period from February 2020 to March 2022. Subsequently, the Authority, vide its letter #08.01.2648.108.01.72.2022/7570 dated 13 December 2023, informed the Company to submit relevant documents for VAT payments to finalise the VAT audit. Accordingly, the Company submitted the relevant documents as per the notice given on 17 December 2023. After verifying the documents submitted, the Authority informed a tax avoidance claim amounting to BDT 15,728,538 vide its letter #08.01.2648.108.01.72.2020.326 dated 17 January 2024. The Company provided a written reply on 17 April 2024. However, the VAT audit is currently in progress, and the final order is yet to be passed by the Authority.

## 22. Fair value hierarchy

The carrying value of financial instruments by categories is as follows:

(Amounts in BDT)

| Particulars                                                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
|----------------------------------------------------------------|------------------------|------------------------|
| <b>Financial assets measured at amortized cost</b>             |                        |                        |
| Trade receivables*                                             | 58,518,597             | 51,857,501             |
| Unbilled revenue*                                              | 697,061                | 978,861                |
|                                                                | <b>59,215,658</b>      | <b>52,836,362</b>      |
| <b>Cash and cash equivalents and other balances with banks</b> |                        |                        |
| Balance with banks                                             | 79,313,861             | 102,298,955            |
|                                                                | <b>79,313,861</b>      | <b>102,298,955</b>     |
| <b>Financial liabilities measured at amortized cost</b>        |                        |                        |
| Trade payables*                                                | 133,644,157            | 160,227,723            |
|                                                                | <b>133,644,157</b>     | <b>160,227,723</b>     |

\*Determination of fair value is not required as per the requirements of IFRS 7: Financial Instruments: Disclosures (ref: Para 29). However, the fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

## 23. Financial risk management:

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's' policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The group's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the group's activities. This note presents information about the group's exposure to each of the following risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. The company has exposure to the following risks from its use of financial instruments.

- a) Credit risk
- b) Liquidity risk
- c) Market risk



**i. Credit risk:**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from distributors, institutional and export customers etc.

Management has a credit policy in place and the exposure to credit risk is identified, analyzed and monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

| Particulars        | (Amounts in BDT)       |                        |
|--------------------|------------------------|------------------------|
|                    | As at<br>31 March 2024 | As at<br>31 March 2023 |
| Trade Receivables  | 58,518,597             | 51,857,501             |
| Other assets       | 1,588,785              | 4,174,299              |
| Advance income tax | 30,236,173             | 23,813,039             |
| Bank Balance       | 79,313,861             | 102,298,955            |
|                    | <b>169,657,416</b>     | <b>182,143,794</b>     |

**ii. Liquidity Risk :**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates.

**iii. Market Risk :**

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

**a) Currency risk**

The Company is exposed to currency risk on any purchase in foreign currency as majority of the Company's transactions are denominated in USD whereas the reporting currency is BDT.

**24. Events after the reporting period**

There is no reportable event as events after the reporting period.

As per our report of even date

*Sumit Kumar*

**Sumit Kumar**  
Managing Director

Place: Bengaluru  
Date:

**10 MAY 2024**

*Nisha Dutt*

**Nisha Dutt**  
Director



**ACNABIN, Chartered Accountants**  
FRC Registration # CAF-001-012

*Abu Sayed Mohammed Nayeem*

**Abu Sayed Mohammed Nayeem, FCA**  
Partner  
ICAB Enrolment Number: 0353

**DVC: 2405290353AS483498**