

### 3.15 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with "IAS 37 Provisions, Contingent Liabilities and Contingent Assets".

### 3.16 Employee benefits

#### a) Contributory provident fund

The Company maintains a contributory provident fund (CPF) that is recognized by the Commissioner of Taxes. Employees contribute 10% of their basic salary to the fund after completion of their confirmation in their services. The Company also contributes an equal amount according to the Company's "Service Rules" & "Employees Provident Fund Rules". The fund is managed and operated by a Board of Trustees which is completely separate and distinct from the Company.

#### b) Workers profit participation fund (WPPF)

In compliance with the provision of the Labor Act 2006, the Company contributes 5% of its profit before tax (PBT) to workers' profit participation fund (WPPF). Payment shall be made to the beneficiaries as per provision of the Bangladesh Labor Act (#42) 2006, Bangladesh Labor (amendment) Act 2013 and other applicable laws and regulations when the Board permits so.

The Company transfers WPPF contribution to the WPPF Trust Fund within nine months from the end of the relevant financial year. Two third of 80% of the fund is disbursed to the eligible employees while the rest one-third of 80% is kept in reserve which is disbursed to the employees at the time of retirement/separation from the Company. 10% of the fund is being paid to the Government Workers Welfare Foundation and the remaining 10% to Brain Station 23 Ltd. Employees Welfare Fund. The fund is managed and operated by a Board of Trustees which is completely separate and distinct from the Company.

#### c) Gratuity benefit

The Company operates an unfunded gratuity benefit, the provision in respect of which is made annually covering all its eligible employees. This benefit is qualified as defined plan. Employees are entitled to Gratuity benefit after completion of minimum 05 (five) years of continuous service with the Company or minimum 03 (three) years from other companies with gratuity benefit and 2 years from this company from the date of his/her joining.

#### Eligibility of gratuity payments

| Actual Years of service                             | Eligibility | Calculation                                     |
|---|-------------|---|
| Less than 5 years                                   | Ineligible  | Nil   |
| 5 years or more than 5 years but less than 10 years | Eligible    | (Last basic drawn)*(No. of years service)       |
| 10 years or more                                    | Eligible    | (Last basic drawn)*(No. of years service)*(1.5) |

\* employees those have come from other organization with gratuity entitlement are eligible up to 3 years inclusion in the above service period.

**d) Group insurance policy of the company**

In compliance with the provisions of the Labor Act 2006, the Company introduced group health insurance in October 2019. This group insurance will cover death coverage for BDT 5,00,000 and hospital bill at different ranges.

**3.17 Earnings per share (EPS)**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, if any.

**3.18 Event after the reporting period**

As per IAS - 10 "Events after Reporting period" are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and

(b) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

**3.19 General**

Last period's figures and descriptions of the line items have been re-arranged whenever and wherever necessary for the sake of consistency, comparability and fair presentation.

|            |  | <i>Amount in BDT</i>     |                        |
|------------|--|--------------------------|------------------------|
|            |  | <b>3 months ended</b>    | <b>12 months ended</b> |
|            |  | <b>30 September 2023</b> | <b>30 June 2023</b>    |
| <b>4</b>   | <b>Property, plant and equipment</b>                       |                          |                        |
|            | Opening balance  | 434,311,673              | 125,758,813            |
|            | Addition during the period                                 | 7,472,498                | 312,928,135            |
|            | Disposal during the period                                 | -                        | (4,375,276)            |
|            | <b>Closing balance</b>                                     | <b>441,784,171</b>       | <b>434,311,673</b>     |
|            | Accumulated depreciation                                   | (78,300,791)             | (73,341,951)           |
|            | <b>Written down value</b> <i>(Details in Annexure - A)</i> | <b>363,483,380</b>       | <b>360,969,722</b>     |
| <b>5</b>   | <b>Right-of-use assets (RoU)</b>                           |                          |                        |
|            | Opening balance  | 150,527,001              | 67,401,866             |
|            | Add: Addition during the period                            | -                        | 83,125,135             |
|            | <b>Closing balance</b>                                     | <b>150,527,001</b>       | <b>150,527,001</b>     |
|            | Accumulated depreciation                                   | (62,092,234)             | (55,349,344)           |
|            | <b>Written down value</b> <i>(Details in Annexure - A)</i> | <b>88,434,767</b>        | <b>95,177,657</b>      |
| <b>6</b>   | <b>Inventories</b>   |                          |                        |
|            | Work in progress (WIP)                                     | -                        | 1,140,000              |
|            |  | -                        | <b>1,140,000</b>       |
| <b>7</b>   | <b>Trade and other receivables</b>                         |                          |                        |
|            | Trade receivables - local                                  | 79,870,267               | 70,427,861             |
|            | Trade receivables - foreign                                | 126,868,169              | 94,001,469             |
|            |  | <b>206,738,437</b>       | <b>164,429,330</b>     |
|            | Allowance for doubtful debts 7.2                           | (13,504,995)             | (13,028,975)           |
|            | <b>Trade receivables</b> 7.1                               | <b>193,233,441</b>       | <b>151,400,355</b>     |
|            | Interest receivable  | 1,920,352                | 1,186,545              |
|            | Cash incentive receivables                                 | 22,248,500               | -                      |
|            |  | <b>217,402,293</b>       | <b>152,586,900</b>     |
| <b>7.1</b> | <b>Trade receivables</b>                                   |                          |                        |
|            | Opening balance  | 151,400,355              | 142,522,180            |
|            | Add: Sales during the period                               | 331,275,312              | 1,203,707,580          |
|            | Available for collection                                   | <b>482,675,667</b>       | <b>1,346,229,760</b>   |
|            | Less: Received during the period                           | (273,139,811)            | (1,181,800,430)        |
|            | Less: Written off during the period                        | (2,797,419)              | -                      |
|            | Less: Allowance for doubtful debts 7.2                     | (13,504,995)             | (13,028,975)           |
|            | <b>Closing balance</b>                                     | <b>193,233,441</b>       | <b>151,400,355</b>     |
| <b>7.2</b> | <b>Allowance for doubtful debts</b>                        |                          |                        |
|            | Opening balance  | 13,028,975               | 10,501,740             |
|            | Add: Addition during the period                            | 3,273,439                | 5,999,090              |
|            | Less: Written off during the period                        | (2,797,419)              | (3,471,854)            |
|            |  | <b>13,504,995</b>        | <b>13,028,975</b>      |

**Information as per Companies Act, 1994 Schedule XI, Part-I is as under:**

| <b>Particulars</b>  | <b>30 September 2023</b> | <b>30 June 2023</b> |
|---|--------------------------|---------------------|
| Receivables considered good in respect of which the company is fully secured.   | -                        | -                   |
| Receivables considered good for which the company holds no security other than the debtor's personal security.  | 193,233,441              | 151,400,355         |
| Receivables considered doubtful or bad.   | 13,504,995               | 13,028,975          |
| Receivable due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. | -                        | -                   |
| Receivables due by companies under the same management.   | -                        | -                   |
| The maximum amount due by directors or other officers of the company at any time during the period.   | -                        | -                   |
| <b>Total</b>  | <b>206,738,437</b>       | <b>164,429,330</b>  |

**Ageing schedule of trade receivables:**

Duration

|                |                    |                    |
|----------------|--------------------|--------------------|
| 1 - 30 days    | 138,778,016        | 108,924,954        |
| 31 - 60 days   | 16,260,174         | 11,441,057         |
| 61 - 90 days   | 9,708,192          | 24,753,473         |
| 91 - 120 days  | 15,711,501         | 7,283,186          |
| 121 - 150 days | 10,149,688         | 3,249,008          |
| 151 - 180 days | 6,402,598          | 1,063,387          |
| Over 180 days  | 9,728,268          | 7,714,263          |
|                | <b>206,738,437</b> | <b>164,429,330</b> |

**8 Short term investments**

Investment in MTDR

*Details in Annexure - B*

|                    |                    |
|--------------------|--------------------|
| 202,881,594        | 166,537,338        |
| <b>202,881,594</b> | <b>166,537,338</b> |

**9 Advance, deposit and prepayments**

Advance to employees for office purposes

Advance to suppliers/vendors/service providers

Advance VAT deposit

Advance to BS-ESOP Trust Fund

Advance/security deposit 9.1

Advance income tax (AIT) 9.2

|                   |                   |
|-------------------|-------------------|
| 525,970           | 230,360           |
| -                 | 20,000            |
| 1,785,727         | 843,915           |
| 10,600,000        | 10,600,000        |
| 3,619,298         | 3,619,298         |
| 12,361,881        | 11,125,316        |
| <b>28,892,877</b> | <b>26,438,889</b> |

Non-current portion

Current portion

|                   |                   |
|-------------------|-------------------|
| 3,150,000         | 3,150,000         |
| 25,742,877        | 23,288,889        |
| <b>28,892,877</b> | <b>26,438,889</b> |

**9.1 Advance/security deposit**

|                                  |                  |                  |
|----------------------------------|------------------|------------------|
| Security deposit for office rent | 500,000          | 500,000          |
| Advance for tender               | 2,552,000        | 2,552,000        |
| Advance for work order           | 567,298          | 567,298          |
|                                  | <b>3,619,298</b> | <b>3,619,298</b> |

**9.2 Advance income tax (AIT)**

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Opening balance            | 11,125,316        | 6,420,219         |
| Addition during the period | 1,236,565         | 11,125,315        |
| Adjusted during the period | -                 | (6,420,219)       |
|                            | <b>12,361,881</b> | <b>11,125,316</b> |

As per Memo No-08.01.0000.034.01.007.14-366 dated 11 July 2023 issued by NBR, the Company was exempted from income tax in connection to the business income (i.e. tax of the company will not be deducted at source) for the income year from 01 July 2023 to 30 June 2024. However, tax has been deducted by the bank from the income from other source (i.e. bank interest) which has been shown as advance income tax.

**Advance, deposits & prepayment (Note: 9.00) as per Schedule XI, Part-1 of the Companies Act, 1994**

|   |                   |                   |
|---|-------------------|-------------------|
| Advance, deposits & prepayment exceeding 6 months     | 15,015,107        | 20,210,588        |
| Advance, deposits & prepayment not exceeding 6 months | 13,877,769        | 6,228,301         |
| <b>Total</b>  | <b>28,892,877</b> | <b>26,438,889</b> |

The classification of advance, deposit & prepayments as required by the Schedule XI of the Companies Act, 1994 are given below:

| Particulars   | 30 September 2023 | 30 June 2023      |
|---|-------------------|-------------------|
| Advance, deposit & prepayments considered good in respect of which the company is fully secured.  | 28,892,877        | 26,438,889        |
| Advance, deposit & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member. | -                 | -                 |
| Advance, deposits & prepayment due to companies under the same management.  | -                 | -                 |
| Advance, deposit & prepayments due by common management.  | -                 | -                 |
| The maximum amount due to directors or other officers of the company at any time during the period.   | -                 | -                 |
| <b>Total</b>  | <b>28,892,877</b> | <b>26,438,889</b> |

**10 Cash and cash equivalents**

|   |                    |                    |
|---|--------------------|--------------------|
| Cash in hand                            | 405,519            | 346,881            |
| Cash at digital financial service (DFS) | 35,801             | -                  |
| Cash at bank                            | 200,697,558        | 215,917,289        |
|   | <b>201,138,878</b> | <b>216,264,170</b> |