



*Un- Audited
Financial Statements
Of*

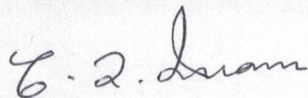
GENEX INFOSYS LIMITED

Plot # 42, & 69, Nitol Niloy Tower (Level- 8),
Nikunja- 02, Khilkhet, Dhaka-1229, Bangladesh
For the period ended September 30, 2020

Genex Infosys Limited

Consolidated statement of financial position (Un-audited)
As at September 30, 2020

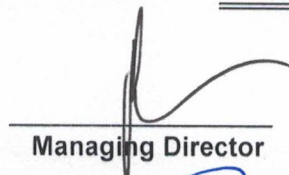
	Notes	Sep 30, 2020 Amount (Tk.)	June 30, 2020 Amount (Tk.)
Assets			
Property, plant and equipment	6.A	1,146,439,823	1,181,491,245
Intangible assets	7.A	310,651,197	324,536,158
Capital work in progress	8.A	240,780,379	149,547,933
Right of Use Asset	9.A	45,927,881	54,399,756
Investment	10.A	200,000	200,000
Total non-current assets		1,743,999,281	1,710,175,092
Inventories	11.A	74,440,557	69,619,890
Accounts receivable	12.A	500,101,028	449,170,824
Advances, deposits and prepayments	13.A	54,123,535	54,306,896
Cash and cash equivalents	14.A	118,101,887	115,387,334
Total current assets		746,767,007	688,484,944
Total assets		2,490,766,288	2,398,660,036
Equity			
Share Capital	15.00	938,400,000	938,400,000
Retained Earnings	16.A	799,637,320	703,888,608
Total equity attributable to equity holders		1,738,037,320	1,642,288,608
Non-Controlling interest	16.B	3,890	3,887
Total equity		1,738,041,210	1,642,292,495
Liabilities			
Long term loan	17.A	328,969,949	331,305,742
Lease Liability	18.A	35,243,715	13,067,354
Total non-current liabilities		364,213,664	344,373,096
Accounts and other payable	19.A	3,521,525	3,343,721
Dividend payable	20.A	168,231	417,467
Short term loan	21.A	315,936,678	308,020,634
Current portion of long term loan	17.02.A	1,200,000	5,475,389
Current Portion of Lease Liability	18.A	13,262,902	43,525,545
Provision & accruals	22.A	54,422,078	51,211,689
Total current liabilities		388,511,414	411,994,445
Total liabilities		752,725,078	756,367,541
Total equity and liabilities		2,490,766,288	2,398,660,036
Consolidated Net Asset Value (NAV)	32.A	18.52	17.50



Chairman



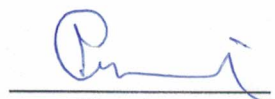
Company Secretary



Managing Director



Chief Financial Officer

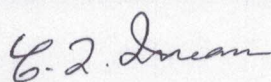


Director

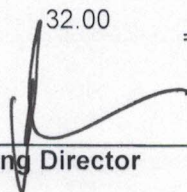
Genex Infosys Limited

Statement of financial position (Un-audited)
As at September 30, 2020

	Notes	Sep 30, 2020 Amount (Tk.)	June 30, 2020 Amount (Tk.)
Assets			
Property, plant and equipment	6.00	1,135,443,830	1,170,140,987
Intangible assets	7.00	306,720,883	320,424,444
Capital work in progress	8.00	240,780,379	149,547,933
Right of Use Asset	9.00	45,927,881	54,399,756
Investment	10.00	37,325,900	37,325,900
Total non-current assets		1,766,198,873	1,731,839,020
Inventories	11.00	74,440,557	69,619,890
Accounts receivable	12.00	450,264,620	403,211,866
Advances, deposits and prepayments	13.00	50,592,363	50,695,724
Cash and cash equivalents	14.00	113,805,522	108,934,531
Total current assets		689,103,062	632,462,011
Total assets		2,455,301,935	2,364,301,031
Equity			
Share capital	15.00	938,400,000	938,400,000
Retained earnings	16.00	766,977,015	672,361,239
Total equity		1,705,377,015	1,610,761,239
Liabilities			
Long term loan	17.00	328,969,949	331,305,742
Lease Liability	18.00	35,243,715	13,067,354
Total non-current liabilities		364,213,664	344,373,096
Accounts and other payable	19.00	3,402,213	3,169,546
Dividend payable	20.00	168,231	417,467
Short term loan	21.00	315,936,678	308,020,634
Current portion of long term loan	17.02	1,200,000	5,475,389
Current portion of lease Liability	18.00	13,262,902	43,525,545
Provision & accruals	22.00	51,741,233	48,558,115
Total current liabilities		385,711,256	409,166,696
Total liabilities		749,924,920	753,539,792
Total equity and liabilities		2,455,301,935	2,364,301,031
Net Asset Value (NAV) per share	32.00	18.17	17.16



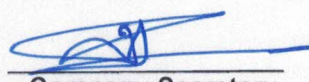
Chairman



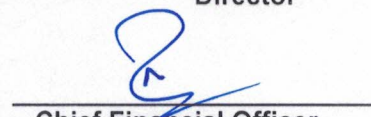
Managing Director



Director



Company Secretary



Chief Financial Officer

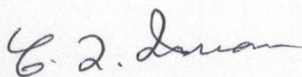
Dated: November 15, 2020

Genex Infosys Limited

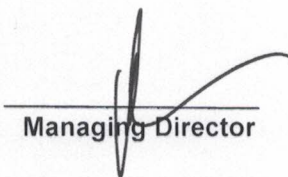
Consolidated statement of profit or loss (Un-audited)
For the period ended September 30, 2020

	Notes	Sep 30, 2020 Amount (Tk.)	Sep 30, 2019 Amount (Tk.)
Net revenue	23.A	266,312,477	276,450,008
Less: Cost of sales	24.A	133,585,307	140,338,126
Gross profit/ (loss)		132,727,170	136,111,883
Less: Administrative expenses	25.A	15,443,037	16,074,310
Less: Selling & distribution expenses	26.A	103,592	106,107
Profit/ (loss) before finance cost		117,180,542	119,931,466
Less: Financial expenses	27.A	16,644,391	33,100,365
Profit/(loss) from operation		100,536,151	86,831,101
Add: Other income	28.A	-	32,500
Profit/(loss) before workers' profit participation fund (WPPF)		100,536,151	86,863,601
Less : Workers' profit participation fund	29.A	4,787,436	4,136,362
Profit/(loss) before income tax		95,748,715	82,727,239
Less: Income tax expense	30.A	-	11,375
Net profit/ (loss) after tax		95,748,715	82,715,864
Net profit attributable to:			
Equity holders of the company		95,748,712	82,715,854
Non-controlling interest		3	10
Consolidated profit/ (loss)		95,748,715	82,715,864
Consolidated Earnings Per Share	31.A	1.02	0.88

The accounting policies and explanatory notes are integral part of the Financial Statements.



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

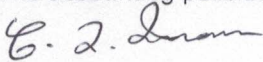
Genex Infosys Limited

Consolidated Statement of profit or loss and other comprehensive income (Un-audited)

For the period ended September 30, 2020

Notes	Sep 30, 2020 Amount (Tk.)	Sep 30, 2019 Amount (Tk.)
Net profit /(loss) after tax	95,748,715	82,715,864
Add: Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):	-	-
Other comprehensive loss for the period, net of tax	95,748,715	82,715,864
Total comprehensive income for the period, net of tax	95,748,715	82,715,864
Earnings per share (EPS)	1.02	0.88

The accounting policies and explanatory notes are integral part of the Financial Statements.




Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

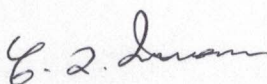
Genex Infosys Limited

Statement of profit or loss (Un-audited)

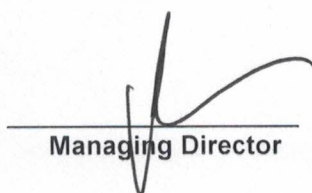
For the period ended September 30, 2020

	Notes	Sep 30, 2020 Amount (Tk.)	Sep 30, 2019 Amount (Tk.)
Net revenue	23.00	261,130,163	261,492,787
Less: Cost of sales	24.00	130,794,937	131,434,916
Gross profit/ (loss)		130,335,226	130,057,871
Less: Administrative expenses	25.00	14,240,678	13,923,546
Less: Selling & distribution expenses	26.00	103,592	106,107
Profit/ (loss) before finance cost		115,990,956	116,028,218
Less: Financial expenses	27.00	16,644,391	33,100,365
Profit/(loss) from operation		99,346,565	82,927,854
Add: Other income	28.00	-	32,500
Profit/(loss) before workers' profit participation fund (WPPF)		99,346,565	82,960,354
Less: Workers' profit participation fund	29.00	4,730,789	3,950,493
Profit/(loss) before income tax		94,615,776	79,009,861
Less: Income tax expense	30.00	-	11,375
Net profit /(loss) after tax		94,615,776	78,998,486
Earnings per share (EPS)	31.00	1.01	0.84

The accounting policies and explanatory notes are integral part of the Financial Statements.



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

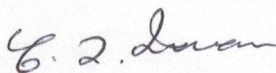
Genex Infosys Limited

Statement of profit or loss and other comprehensive income (Un-audited)

For the period ended September 30, 2020

Notes	Sep 30, 2020 Amount (Tk.)	Sep 30, 2019 Amount (Tk.)
Net profit /(loss) after tax	94,615,776	78,998,486
Add: Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):	-	-
Other comprehensive loss for the period, net of tax	94,615,776	78,998,486
Total comprehensive income for the period, net of tax	94,615,776	78,998,486
Earnings per share (EPS)	1.01	0.84

The accounting policies and explanatory notes are integral part of the Financial Statements.



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

Genex Infosys Limited

Consolidated statement of changes in equity (Un-audited)
For the period ended September 30, 2020

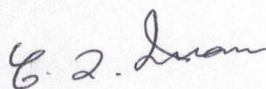
July 1, 2020 to September 30, 2020

Particulars	Ordinary Share Capital	Retained Earnings	Non-Controlling Interest	Total Amount (Tk.)
Balance as on 01.07.2020	938,400,000	703,888,608	3,887	1,642,292,495
Stock 15%	-	-	-	-
Cash Dividend 5%	-	-	-	-
Net profit/ (loss) after tax	-	95,748,712	3	95,748,715
Balance as on 30.09.2020	938,400,000	799,637,320	3,890	1,738,041,210


July 1, 2019 to September 30, 2020

Particulars	Ordinary Share Capital	Retained Earnings	Non-Controlling Interest	Total Amount (Tk.)
Balance as on 01.07.2019	816,000,000	546,511,123	3,857	1,362,514,980
Net profit/ (loss) after tax	-	82,715,854	10	82,715,864
Balance as on 30.09.2019	816,000,000	629,226,977	3,867	1,445,230,844

The accounting policies and explanatory notes are integral part of the Financial Statements.




Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

Genex Infosys Limited

Statement of changes in equity (Un-audited)

For the period ended September 30, 2020

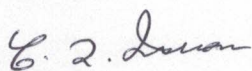
July 1, 2020 to September 30, 2020

Particulars	Ordinary Share Capital	Retained Earnings	Total Amount (Tk.)
Balance as on 01.07.2020	938,400,000	672,361,239	1,610,761,239
Stock Dividend @ 15%	-	-	-
Cash Dividend @ 5%	-	-	-
Net profit /(loss) after tax	-	94,615,776	94,615,776
Balance as on 30.09.2020	938,400,000	766,977,015	1,705,377,015

July 1, 2019 to September 30, 2020

Particulars	Ordinary Share Capital	Retained Earnings	Total Amount (Tk.)
Balance as on 01.07.2019	816,000,000	526,150,814	1,342,150,814
New Issued Capital	-	-	-
Net profit /(loss) after tax	-	78,998,486	78,998,486
Less: IPO Expenses	-	-	-
Balance as on 30.09.2019	816,000,000	605,149,300	1,421,149,300

The accounting policies and explanatory notes are integral part of the Financial Statements.



Chairman



Managing Director



Director



Company Secretary



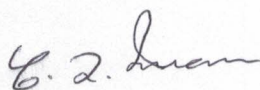
Chief Financial Officer

Dated: November 15, 2020

Genex Infosys Limited

Consolidated statement of cash flows (Un-audited)
For the period ended September 30, 2020

	Sep 30, 2020 Amount (Tk.)	Sep 30, 2019 Amount (Tk.)
Cash flows from operating activities		
Received from customers	215,382,272	215,589,054
Paid to suppliers	(24,983,940)	(49,891,440)
Paid to employees	(73,554,631)	(70,251,709)
Paid to others	(6,040,936)	(8,029,074)
Paid for finance expenses	(17,161,255)	(32,998,825)
Net cash generated from operating activities	93,641,509	54,418,007
Cash flows from investing activities		
Paid for acquisition of property, plant and equipment	-	(601,527)
Paid for acquisition of intangible assets	-	(5,212,280)
Paid for advance against land	-	(20,000,000)
Paid for capital work in progress	(91,982,583)	(43,451,221)
Net cash used in investing activities	(91,982,583)	(69,265,028)
Cash flows from financing activities		
Paid for / Received from short-term loan	7,916,045	(31,181,596)
Dividend Paid	(249,236)	-
Paid for / Received from long-term loan	(6,611,182)	(6,108,215)
Net cash provided for financing activities	1,055,626	(37,289,810)
Net cash flows for the period	2,714,553	(52,136,831)
Cash and cash equivalents at the beginning of the period	115,387,334	81,665,741
Cash and cash equivalents at the end of the period	118,101,887	29,528,910
Consolidated Net Operating Cash Flows per Share	33.A	1.00
		0.58



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

Genex Infosys Limited

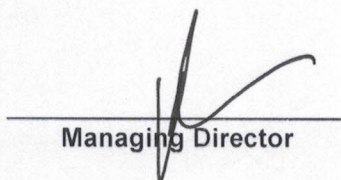
Statement of cash flows (Un-audited)

For the period ended September 30, 2020

	Sep 30, 2020 Amount (Tk.)	Sep 30, 2019 Amount (Tk.)
Cash flows from operating activities		
Received from customers and others	214,077,409	204,032,070
Paid to suppliers	(23,543,932)	(43,815,508)
Paid to employees	(71,903,311)	(66,790,767)
Paid to others	(5,670,962)	(7,196,901)
Paid for finance expenses	(17,161,255)	(32,998,825)
Net cash generated from operating activities	95,797,948	53,230,070
Cash flows from investing activities		
Paid for acquisition of property, plant and equipment	-	(601,527)
Paid for acquisition of intangible assets	-	(5,212,280)
Paid for advance against Land	-	(20,000,000)
Paid for capital work in progress	(91,982,583)	(43,451,221)
Net cash used in investing activities	(91,982,583)	(69,265,028)
Cash flows from financing activities		
Paid for / Received from short-term loan	7,916,045	(31,181,596)
Dividend Paid	(249,236)	-
Paid for / Received from long-term loan	(6,611,182)	(6,108,215)
Net cash provided for financing activities	1,055,626	(37,289,811)
Net cash flows for the period	4,870,991	(53,324,770)
Cash and cash equivalents at the beginning of the period	108,934,531	80,202,130
Cash and cash equivalents at the end of the period	113,805,522	26,877,361
Net Operating Cash Flows per Share	33.00	1.02
		0.57



Chairman



Managing Director



Director



Company Secretary



Chief Financial Officer

Dated: November 15, 2020

Genex Infosys Limited

Consolidated property, plant and equipment
As at September 30, 2020

Schedule-A.1

Particulars	Cost			Rate (%)	Depreciation			W.D.V.
	Balance as on 01.07.2020	Addition during the period	Balance as on 30.09.2020		Balance as on 01.07.2020	Charged during the period	Balance as on 30.09.2020	Balance as on 30.09.2020
Land & Land Development	183,605,265	-	183,605,265		-	-	-	183,605,265
Machinery and equipment	1,361,314,290	750,137	1,362,064,427	15%	542,406,245	30,731,015	573,137,260	788,927,168
Furniture and fixtures	97,856,671	-	97,856,671	10%	35,758,832	1,552,446	37,311,278	60,545,393
Motor vehicles	50,897,477	-	50,897,477	20%	27,053,694	1,192,189	28,245,883	22,651,594
Office decoration and renovation	118,068,350	-	118,068,350	10%	25,032,039	2,325,908	27,357,947	90,710,403
As on Sep 30, 2020	1,811,742,054	750,137	1,812,492,191		630,250,809	35,801,558	666,052,367	1,146,439,823
As on June 30, 2020	1,463,781,296	347,960,758	1,811,742,054		484,775,311	145,475,498	630,250,809	1,181,491,245

Genex Infosys Limited

Property, plant and equipment
As at September 30, 2020

Schedule-A

Particulars	Cost			Rate (%)	Depreciation			W.D.V.
	Balance as on 01.07.2020	Addition during the period	Balance as on 30.09.2020		Balance as on 01.07.2020	Charged during the period	Balance as on 30.09.2020	Balance as on 30.09.2020
Land & Land Development	183,605,265	-	183,605,265	0%	-	-	-	183,605,265
Machinery and equipment	1,348,778,560	750,137	1,349,528,697	15%	535,239,690	30,529,671	565,769,361	783,759,336
Furniture and fixtures	90,122,850	-	90,122,850	10%	33,870,344	1,406,313	35,276,657	54,846,193
Motor vehicles	50,322,100	-	50,322,100	20%	26,614,066	1,185,402	27,799,468	22,522,632
Office decoration and renovation	118,068,351	-	118,068,351	10%	25,032,039	2,325,908	27,357,947	90,710,404
As on Sep 30, 2020	1,790,897,126	750,137	1,791,647,263		620,756,139	35,447,294	656,203,433	1,135,443,830
As on June 30, 2020	1,443,658,780	347,238,346	1,790,897,126		476,835,959	143,920,180	620,756,139	1,170,140,987

Allocation of Depreciation:			
		30.09.2020	30.09.2019
Depreciation Allocated to:			
Cost of Sales	93%	32,965,983	32,542,249
Administrative Expenses	7%	2,481,311	2,449,417
Total		35,447,294	34,991,666

Genex Infosys Limited

Consolidated intangible assets

As at September 30, 2020

Schedule-B.1

Particulars	Cost			Rate (%)	Amortization			W.D.V.
	Balance as on 01.07.2020	Addition during the period	Balance as on 30.09.2020		Balance as on 01.07.2020	Charged during the period	Balance as on 30.09.2020	Balance as on 30.09.2020
Software	514,593,361	-	514,593,361	15%	190,057,202	13,884,961	203,942,163	310,651,197
As on Sep 30, 2020	514,593,361	-	514,593,361		190,057,202	13,884,961	203,942,163	310,651,197
As on June 30, 2020	444,663,980	69,929,381	514,593,361		144,327,754	45,729,448	190,057,202	324,536,158

Genex Infosys Limited

Intangible assets
As at September 30, 2020

Schedule-B

Particulars	Cost			Rate (%)	Amortization			W.D.V.
	Balance as on 01.07.2020	Addition during the period	Balance as on 30.09.2020		Balance as on 01.07.2020	Charged during the period	Balance as on 30.09.2020	Balance as on 30.09.2020
Software	508,330,121	-	508,330,121	15%	187,905,677	13,703,561	201,609,238	306,720,883
As on Sep 30, 2020	508,330,121	-	508,330,121		187,905,677	13,703,561	201,609,238	306,720,883
As on June 30, 2020	438,400,740	69,929,381	508,330,121		142,901,826	45,003,851	187,905,677	320,424,444

Allocation of Amortization			
Amortization Allocated to:		30.09.2020	30.09.2019
Cost of Sales	100%	13,703,561	11,172,299
Total		13,703,561	11,172,299

GENEX INFOSYS LIMITED.

**Plot # 42, & 69, Nitol Niloy Tower (Level- 8),
Nikunja- 02, Khilkhet, Dhaka-1229, Bangladesh.**

NOTES TO THE FINANCIAL STATEMENTS

For the period ended September 30, 2020

1.00 Corporate History of the Reporting Entity:

GENEX INFOSYS LIMITED was incorporated in Bangladesh on 22 May 2012 under the Companies Act, 1994 vide registration no. C – 101900/12 as a private Company limited by shares. Subsequently the company has converted into a public company limited by shares on 15th September 2016. The Company commenced its commercial operation on 01 July 2012.

In the year 2018, the company achieved a major milestone of public offering of 20,000,000 (two core) Ordinary Shares of Tk. 10 each which are listed at Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited with effective from 7th January 2019 and traded with from 6th February 2019 at both the stock exchanges under the trade name GENEXIL and trading code-22650.

The registered office is located at Plot # 42 & 69, Nitol Niloy Tower (Level-8), Nikunja- 02, Khilkhet, Dhaka-1229, Bangladesh.

1.01 Subsidiaries of the company

GENEX INFOSYS LIMITED has one subsidiary company named Green and Red Technologies Limited. The Financial Statements of the subsidiary company has been included in the consolidated Financial statements of the company in accordance with IFRS 10 Consolidated Financial statements

Subsidiary Company :

1) Green and Red Technologies Limited

Green and Red Technologies Limited was incorporated on 22 July 2009 under the companies Act-1994 Vide registration no. C-78727/09 as a private company limited by shares. The paid up capital of Green and Red Technologies Limited is Tk. 3,73,26,000 divided into 3,73,260 ordinary shares of Tk. 100 each. Genex Infosys Limited owned 99.9997% shares totaling 3,73,259 ordinary shares. The main activities of the company are ITES Services, Network Solution, Web based solution and Consultancy, E-commerce/Business, Graphics Design, IT Consulting, IT Training Centre and Software development in Bangladesh.

2.00 Nature of Corporate Business :

The principal activities of the Company are ITES services , Such as to carry on activities relating to Data Entry, Data Processing, Business Process Outsourcing, IT Support and Software Maintenance, Digital Content Development and Management, Call Centre Service, Website Development, Marketing of software products and providing maintenance and support services both to domestic and international clients.

3.00 Corporate Financial Statements and Reporting:

This comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes, comprising significant accounting policies and other explanatory information and comparative information in respect of the preceding year/period.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1994, the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Securities and Exchange Rule, 1987 and other regulatory compliances.

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of the financial statements.

4.00 Basis of preparation

4.01 Statement of Compliance

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act, 1994, and other applicable laws and regulations as required. The following International Accounting Standards and International Financial Reporting Standards were applied for the preparation of Financial Statements for the period.

IAS 01	Presentation of Financial Statements
IAS 02	Inventories
IAS 07	Statements of Cash flows
IAS 08	Accounting Policies, Changes in Accounting Estimates and Errors.
IAS 10	Events after the Reporting Period
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 19	Employee Benefits
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosures
IAS 27	Separate Financial Statements
IAS 33	Earnings per Share
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets.
IAS 38	Intangible Assets
IFRS 3	Business Combinations
IFRS 9	Financial Instruments: Recognition and measurement
IFRS 10	Consolidated Financial Statements
IFRS 15	Revenue from Contracts with Customers
IFRS 16	Leases

4.02 Other regulatory compliances

The Company complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Ordinance ,1984
- The Income Tax Rules ,1984
- The Value added Tax Act ,2012
- The Value added Tax Rules, 2016
- The Securities and Exchange Ordinance, 1969
- The Securities and Exchange Rules, 1987
- Bangladesh Labour Act, 2006 (Amendment in 2013 & 2018)

4.03 Basis of measurement

The financial statements have been prepared on going concern basis under historical cost conventions as

per IAS 1 Presentation of Financial Statements.

4.04 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka currency, which is the company's functional currency. The figures of financial statements have been rounded off to the nearest integer.

4.05 Accrual Basis of Accounting

These financial statements have been prepared under the accrual basis of accounting except for cash flow information as per IAS 1 Presentation of Financial Statements.

4.06 Reporting Period

The reporting period of the company covers three month from 01 July 2020 to 30 September 2020.

4.07 Components of the financial statements

- i) Statement of Financial Position as at 30 September, 2020.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period ended 30 September, 2020.
- iii) Statement of Changes in Equity for the period ended 30 September, 2020.
- iv) Statement of Cash flows for the period ended 30 September, 2020.
- v) Notes, comprising significant accounting policies and other explanatory information
- vi) Comparative information in respect of the preceding year/period.

4.08 Date of Authorization

The board of directors has authorized the financial statements for issue on November 15, 2020

5.00 Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all period presented in these financial statements.

5.01 Property, Plant and Equipment

i) Recognition and measurement

All property, plant and equipment are initially accounted for at costs and depreciated over their expected useful life in accordance with IAS 16. The cost of acquisition of asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Subsequent cost

The subsequent cost/expenditure or any replacing part an item of property, plant and equipment is capitalized if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or loss and other Comprehensive Income as incurred.

iii) Depreciation

All items of property, plant and equipment have been depreciated on reducing balance method. Depreciation is charged on opening balance of fixed assets for full period. Depreciation on current period addition begins when

an asset is available for use, i.e. it is in the location and for it to be capable of operating in the manner Intended by the management. Depreciation of an assets ceases at the date that the assets is derecognised as per Para 55 of IAS 16 Property, Plant and Equipment. The cost of the day to day repairing and maintenance expenses is recognised in the profit or loss and other comprehensive income.

Rates of depreciation on various classes of fixed assets are as under :

	<u>Sep 30, 2020</u>
Land & Land Development	0%
Machinery and Equipment	15%
Furniture and fixtures	10%
Motor Vehicles	20%
Office Decoration and Renovation	10%

iv) Impairment of assets

At the end of each reporting period, the company is required to assess whether there is any indication that an asset may be impaired. By reviewing company's assets in property, plant & equipment, it was confirmed that there are no internal indicators of impairment of such assets during the period. Hence, no provision has been made for impairment of assets.

5.02 Intangible assets

i) Recognition and measurement

Intangible asset is recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the company; and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use. After initial recognition intangible assets should be carried at cost less accumulated amortization and impairment losses, if any,

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. All other expenditures are recognized in the Statement of profit or loss and other comprehensive income when incurred.

(iii) Amortization

The depreciable amount of an intangible assets with a finite useful life shall be allocated on a systematic basis over its useful life. Amortization shall begin when assets available for use, i.e. when it is in the location & condition necessary for it to be capable of operating in the manner intended by management. Amortization shall cease at the earlier of the date that the assets is classified as held for sale.

Expenditure to acquire software is capitalized. The company had charged amortization on software at 15.00% under Reducing Balance Method up to the year June 30, 2019. In the year June 30, 2020, the company has charged its Amortization on software under Straight Line Method instead of Reducing Balance Method.

Under Straight line method, the amount of the effect in future periods is impracticable as future addition amount cannot be determined reliably.

Amortization of Intangible Assets is charged on day basis.

(iv) Derecognition

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit or loss.

(v) Impairment of assets

At the end of each reporting period, the company is required to assess whether there is any indication that an asset may be impaired. By reviewing company's intangible assets, it was confirmed that there are no internal indicators of impairment of such assets during the period. Hence, no provision has been made for impairment of assets.

5.03 Inventories

The cost of inventories comprises all costs of purchases; cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Inventories are measured at the lower of cost and net realizable value.

5.04 Trade and other receivables (Accounts Receivable)

Trade and other receivables are initially recognized at invoice value and the amount represents net realizable value. Management considered that the entire trade receivables as good and collectable.

5.05 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deduction, adjustment or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits and prepayments are measured at payment value.

5.06 Cash and Cash Equivalents

Cash and cash equivalents comprise cash-in-hand, demand deposits and short term bank deposits that are readily convertible to a known amount of cash, and that are not subject to significant risk of change in value.

5.07 Provision

A provision is recognized in the Financial Position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

5.08 Recognition of revenue as per IFRS 15

In compliance with the requirement of IFRS 15 revenue has been recognized as per following conditions:

1. Identify the contact with the customer
2. Identify the performance obligations in the contact
3. Determine the transaction price
4. Allocate the transaction price
5. Recognize revenue when (or as) a performance obligation is satisfied.

5.09 **Borrowing cost**

Finance expenses comprise interest expense on bank loan. All borrowing costs are recognized in the statement of profit or loss and other Comprehensive Income.

5.10 **Corporate tax**

Income Tax provision has not been made for income from business and profession for the period from 1 July 2020 to 30 Sep, 2020 as the company provides the ITES services which are fully exempted from Tax up to June 30, 2024 as per 6th Schedule, Part A, Para 33 of The Income Tax Ordinance 1984.

As a result of fully exemption from tax, no provision has been made for deferred tax for this period.

5.11 **Statement of Cash flows**

Cash Flows statement is prepared in accordance with IAS 7 Statement of Cash Flows and cash flows from operating activities have been presented under direct method considering the provision of paragraph 19 of IAS 7, which state that "Entities are encouraged to report cash flow from operating activities using direct method.

5.12 **Earnings Per Share (EPS)**

Earnings per share (EPS) have been calculated in accordance with International Accounting Standard IAS 33 Earnings per Share.

Basic Earning

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax period has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of ordinary Shares outstanding during the period.

The basis of computation of number of shares is in line with the provisions of IAS 33 Earnings Per Share. This represents the number of ordinary shares outstanding at the beginning of the period plus the number of ordinary shares issued during the period multiplied by a time weighted factor. The time weighting factor is the number of days the specific shares are outstanding as a proportion of the total number of days in the period.

5.13 **Comparative information:**

Comparative information has been disclosed in respect of the preceding year/period for all amounts reported in the current period financial statements. The company includes comparative information for narrative and descriptive information if it is relevant to understanding the current period financial statements.

5.14 **Events after the Reporting Period**

In accordance with IAS 10 Events after the 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:

Adjusting events: - those that provide evidence of conditions that existed at the end of the reporting period.

Non-adjusting events: - those that are indicative of conditions that arose after the reporting period.

Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements, if applicable.

There is no significant event other than regular business activities that qualify for reporting between the date of closing of the financial reporting period and the date when the financial statements are authorized for issue.

5.15 Workers' Profit Participation Fund (WPPF)

The company has made a provision for Worker's Profit Participation Fund (WPPF) for the period ended 30 Sep, 2020. The company provides 5% of its net profit before tax after charging such expense as Workers' Profit Participation in accordance with Bangladesh Labour Act, 2006 (Amendment in 2013 & 2018).

5.16 Going Concern Basis

The company has adequate resources to continue its operation for the foreseeable future. As such, the directors intended to adopt the going concern basis in preparing the financial statements. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

5.17 Impairment of Assets

All fixed assets have been reviewed and it is confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for the purpose of impairment.

5.18 Related Party Disclosures

The company carried out a number of transactions with related parties. The information as required by IAS 24 Related Party Disclosures has been disclosed in a separate note to the accounts.

5.19 Re-arrangement

Previous period figures have been re-arranged whenever considered necessary to ensure comparability with the current presentation as per IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

5.20 Financial Instruments

A financial instrument in any contract that gives rise to a financial asset of one entity and financial liability or Equity instrument of another entity.

Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument of equity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date which the company becomes a part to the contractual obligation of the transaction. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

Initial Recognition

An entity recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument and subsequently recognizes at their amortized cost.

Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognized initially at fair value less any directly attributable transactions cost. Subsequently to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

5.21 Changes in significant accounting policies

The Company has applied IFRS 16 Leases from 1 July 2019.

IFRS 16 Leases

Nature and effect of changes

The Company applied IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2020 is not restated - i.e. it is presented, as previously reported, under IAS 17 and related Interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

A. Definition of a lease

Previously the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an arrangement contains a lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in have to change as per accounts.

On transition to IFRS 16, the Company applied IFRS 16 to contracts that were previously identified as leases following the practical expedient approach for existing contracts. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 July 2019.

B. As a lessee

As a lessee, the Company leases office. The Company previously classified rental of office as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company Under IFRS 16, the Company recognizes right-of-use assets (presented as part of property, plant and equipment) and lease liabilities for these leases - i.e. these leases are on-balance sheet where lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's Incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

This standard introduces a single, on-balance sheet lease accounting model for leases where a lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

5.22 General

- i) Previous year/period figures have been rearranged whether consider necessary for the purpose of current year/period presentation.
- ii) Figures in these Notes and annual financial statement have been rounded off to the nearest Taka.