

Sonali Intellect Limited
Independent Auditor's Report
and
Audited Financial Statements
For the year ended 31 March 2023

Independent Auditor's Report

To the Shareholders of Sonali Intellect Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sonali Intellect Limited (the "Company"), which comprise the statement of financial position as at 31 March 2023, 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 give a true and fair view of the financial position of the Company as at 31 March 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Emphasis of Matter

We draw attention to the fact as disclosed in Note #6 to the financial statements which describes that Sonali Intellect Limited recognized accounts receivable amounting to Taka 207,721,269 where the majority of the amount remains outstanding for long time. Necessary provision in this regard has not been made in the financial statements. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all the information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the other information, 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 and Internal Controls

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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 liquidate 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 these 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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.

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

As required by the Companies Act, 1994 and other applicable laws and regulations. We, as required by law, further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- 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 these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dhaka,
22 August 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC : 2309050787AS791217

Sonali Intellect Limited
Statement of Financial Position
As at 31 March 2023

	Notes	31.03.2023 Taka	31.03.2022 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,317,270	4,509,188
Intangible assets	5	21	21
Current assets			
Accounts receivable	6	290,748,269	342,777,519
Other receivable from employees' provident fund	7	318,878	761,561
Advances, deposits and prepayments	8	5,876,595	6,201,660
Cash and cash equivalent	9	32,155,616	3,448,833
TOTAL ASSETS		333,416,628	357,698,761
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	10	75,000,000	75,000,000
Retained earnings	11	209,927,128	193,591,748
Non-current liabilities			
-			
Current liabilities			
Short term credit facilities	12	-	9,330,357
Accounts payable	13	9,598,102	9,447,132
Other accounts payable	14	15,747,819	18,974,624
Accrued expenses	15	22,345,966	51,290,126
Other liabilities	16	701,950	-
Provision for income tax	17	95,663	64,775
TOTAL LIABILITIES		48,489,500	89,107,013
TOTAL EQUITY AND LIABILITIES		333,416,628	357,698,761

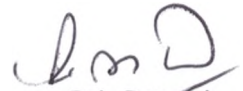
The annexed notes from 1 to 27 form an integral part of these Financial Statements.



S.M. Jahangir Akhter
Chief Executive Officer



Mohammed Rezwan Al Bakhtiar
Director



Raju Daryani
Chairman

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka,
22 August 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants




Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC: 2309050787AS791217

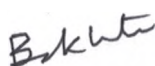
Sonali Intellect Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2023

	Notes	01 Apr 2022- 31 Mar 2023 Taka	01 Apr 2021- 31 Mar 2022 Taka
Revenue	18	173,528,505	172,446,790
Cost of services rendered	19	(78,914,899)	(82,089,083)
Gross profit		94,613,606	90,357,707
Less: Operating expenses			
Administrative expenses	20	58,705,211	61,468,039
Gross Operating Profit for the year		35,908,395	28,889,668
Less: Finance expenses	21	90,096	1,792,133
Net Operating profit for the year		35,818,299	27,097,535
Add: Non operating income	22	1,121,796	215,916
Profit before contribution to WPPF and WF		36,940,095	27,313,451
Less: Provision for contribution to WPPF & WF		1,759,052	1,300,641
Profit before tax		35,181,043	26,012,810
Less: Income tax expense		95,663	64,990
Net profit after tax for the year		35,085,380	25,947,820
Add: Other comprehensive income		-	-
Total comprehensive income		35,085,380	25,947,820

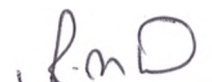
The annexed notes from 1 to 27 form an integral part of these Financial Statements.



S.M. Jahangir Akhter
Chief Executive Officer



Mohammed Rezwan Al Bakhtiar
Director



Raju Daryani
Chairman

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka,
22 August 2023

Signed for & on behalf of
ACNABIN
Chartered Accountants



Md. Moniruzzaman, FCA
Partner

ICAB Enrollment No. 787
DVC: 2309050787AS791217

Sonali Intellect Limited
Statement of Changes in Equity
For the year ended 31 March 2023

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as at 01 April 2022	75,000,000	193,591,748	268,591,748
Net profit during the year	-	35,085,380	35,085,380
Dividend for the year 2021-22	-	(18,750,000)	(18,750,000)
Balance as at 31 March 2023	75,000,000	209,927,128	284,927,128

(Amount in Taka)

Particulars	Share Capital	Retained Earnings	Total Shareholders' Equity
Balance as at 01 April 2021	75,000,000	189,848,836	264,848,836
Prior year adjustment	-	(3,454,909)	(3,454,909)
Net profit during the year	-	25,947,820	25,947,820
Dividend for the year 2020-21	-	(18,750,000)	(18,750,000)
Balance as at 31 March 2022	75,000,000	193,591,748	268,591,748

The annexed notes from 1 to 27 form an integral part of these Financial Statements.

Dhaka,
22 August 2023


S.M. Jahangir Akhter
 Chief Executive Officer


Mohammed Rezwan Al Bakhtiar
 Director



Raju Daryani
 Chairman

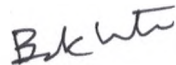
Sonali Intellect Limited
Statement of Cash Flows
For the year ended 31 March 2023

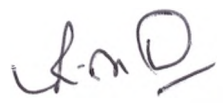
	01 Apr 2022- 31 Mar 2023 Taka	01 Apr 2021- 31 Mar 2022 Taka
A. Cash flows from operating activities		
Net profit before Tax	35,181,043	26,012,810
Add: Items not involving in movement of cash:		
Depreciation on property, plant and equipment	2,167,683	1,547,100
Prior year adjustments	-	(3,454,909)
Gain on sale from non current assets	-	(6,799)
Operating profit before changes in working capital	37,348,726	24,098,202
Changes in working capital	30,682,851	538,966
Decrease in advances, deposits and prepayments	325,066	841,293
Decrease in accounts receivable	52,029,250	4,897,264
Decrease/(Increase) in other receivable from employees' providend fund	442,683	(99,117)
(Increase)/Decrease in short term credit facilities	(9,330,357)	5,490,343
(Decrease)/Increase in other account payables	(3,226,805)	1,583,565
Decrease in accrued expenses	(10,194,160)	(1,142,223)
Increase/(Decrease) in other liabilities	701,950	(10,774,226)
Payment of income tax	(64,775)	(257,933)
Net cash flow from operating activities	68,031,578	24,637,168
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,003,925)	(3,041,446)
Sales of property, plant and equipment	28,160	6,800
Net cash used in investing activities	(1,975,765)	(3,034,646)
C. Cash flow from financing activities		
Dividend paid	(37,500,000)	(18,750,000)
Net cash used in financing activities	(37,500,000)	(18,750,000)
Net cash increase in cash equivalent (A+B+C)	28,555,813	2,852,522
Unrealized foreign exchange gain	150,970	29,226
Cash and cash equivalent at beginning of the year	3,448,833	567,084
Cash and cash equivalent at end of the year	32,155,616	3,448,833

The annexed notes from 1 to 27 form an integral part of these Financial Statements.

Dhaka,
22 August 2023


S.M. Jahangir Akhter
Chief Executive Officer


Mohammed Rezwan Al Bakhtiar
Director


Raju Daryani
Chairman

Sonali Intellect Limited
Notes to the Financial Statements
As at and for the year ended 31 March 2023

1. Reporting entity

1.1 About of the company

Sonali Intellect Limited (here-in-after referred to as the "Company") was incorporated in Bangladesh (C-98863/12) as a private limited company on 25 January 2012 under the Companies Act, 1994 as a joint venture entity sponsored by Sonali Bank PLC, Bangladesh Commerce Bank Ltd. and Polaris Financial Technology Ltd., India (at present, Intellect Design Arena Ltd., India) and Panthosoft Limited. The Company commenced its business operation on 1 February 2012. The registered office of the company is located at Abedin Tower (7th Floor), 35, Kemal Ataturk Avenue, Banani C/A, Dhaka 1213, Bangladesh.

1.2 Nature of business

The principal activities of the Company are to customize, enhance, modify, and implement Intellect CBS 10.0 Software (a fully centralized real time online core banking system software) at the branch, associate companies and subsidiaries of Sonali Bank PLC and other customers within Bangladesh who may require Intellect CBS 10.0 Software. Additionally, the Company may provide other services like initiation, development and implementation of computer application systems, etc. relevant to the customers and any other business undertakings as shall be determined by Sonali Bank PLC and Intellect Design Arena Ltd, India formerly named Polaris Financial Technology Limited, India from time to time.

2. Basis of preparation of financial statements and significant accounting policies

2.1 Components of financial statements

The presentation of financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements.

The presentation of financial statements comprises of:

- i) Statement of financial position as at 31 March 2023;
- ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2023;
- iii) Statement of changes in equity for the year ended 31 March 2023;
- iv) Statement of cash flows for the year ended 31 March 2023; and
- v) Notes, comprising summary of significant accounting policies and explanatory information.

2.2 Reporting period

These financial statements cover one year from 01 April to 31 March of a financial year.

2.3 Statement of compliance

The financial statements have been prepared on going concern basis under the historical cost convention in accordance with the International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs), the Companies Act 1994 and other laws and regulations applicable in Bangladesh.

2.4 Functional and presentation currency

The financial statements are prepared and presented in Bangladesh currency (Taka), which is company's functional currency. All financial information presented has been round off to the nearest Taka except where indicated otherwise.

2.5 Foreign currency transactions

Transactions in foreign currencies are converted into equivalent Bangladeshi Taka (Tk/ BDT) applying the ruling rate on the date of such transactions. Assets and liabilities outstanding at 31 March 2023 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the statement of financial position date.

2.6 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment are recognized when all the conditions for recognition as per IAS: 16-"Property, plant and equipment" are met. Items of property, plant and equipment are measured at cost less accumulated depreciation. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

All repairs and maintenance expenses are charged to the statement of profit or loss and other comprehensive income during the year when these are incurred. Such property, plant and equipment costing less than Taka 15,000 are recognized as expenditure irrespective of their useful lives.

ii) Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in the statement of profit or loss and other comprehensive income as incurred.

iii) Depreciation

Depreciation on all property, plant and equipment has been charged on straight line basis considering the economic and useful lives of such assets. Depreciation is charged on addition to fixed asset from the date of capitalization and depreciation will be charged on disposal up to the date of disposal.

The rates of depreciation are as follows:

Category of assets	Rate
Air conditioners	15%
Computer and IT equipment	33.33%
Furniture and fixtures	10%
Office equipment	10%
Motor vehicle	20%

iv) Gains or losses on disposal

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income.

2.7 Intangible assets

i) Recognition and measurement

Intangible assets represent cost of software and these are recognized when all the conditions for recognition as per IAS 38 - "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price any directly attributable cost of preparing the asset for its intended use. Intangible assets are measured at cost less accumulated amortization using the straight line method. Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization.

ii) Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific intangible asset to which they relate. All other costs are recognized in the statement of profit or loss and other comprehensive income as incurred.

iii) Amortization

Amortization is charged in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of intangible assets.

Intangible assets are amortized @ 33.33% per year starting from the month of acquisition. Such assets of costing less than Taka 15,000 are recognized as expenditure irrespective of their useful lives.

2.8 Cash flows

The Company has followed indirect method for presentation of cash flows as per IAS : 7 " Statement of Cash Flows".

2.9 Accounts receivable

Accounts receivable represent the amount due from customers from software development and support service, product license and related services and annual maintenance services.

2.10 Advances, deposits and prepayments

Advances, deposits and prepayments represents the amount due from different parties like advance for office rent (Adjustable & Non-adjustable), Bank Guarantee, Group insurance and others.

2.11 Cash and bank balances

Cash and bank balances represents the company's current liquidity position.

2.12 Share capital

The Authorized Share Capital of the Company is Taka 500,000,000 (fifty crore) divided into 50,000,000 (five crore) Ordinary Shares of Taka 10 (Ten) each and paid up capital is Taka 75,000,000. Subject to the provisions contained in the Articles, Intellect shall at all times hold 51% of the total Shares and Sonali Bank PLC shall initially hold 49% of the shares. Sonali Bank PLC shall have a right to transfer up to 19% of its Shares to Bangladesh Commerce Bank Limited (BCBL), Rajshahi Krishi Unnyan Bank (RAKUB) Panthosoft Limited (PL) subject to BCBL, RAKUB and PL executing the Deed of Ratification and Accession. SBL transferred its 10% shares to Bangladesh Commerce Bank Limited (BCBL) and 4% shares to Panthosoft Limited in the year of 2014.

2.13 Short term credit facilities

To meet up the emergency liquidity of the company and to meet criteria for bidding, Sonali Intellect maintain a Overdraft account with Sonali Bank PLC with a limit of Taka 5 crore.

2.14 Accrued Expenses

Accrued Expenses represents the provisional amount of applicable VAT & Tax and other regular vendor payments.

2.15 Revenue recognition

In accordance with the provisions of the IFRS-15: 'Revenue from Contracts with Customers'; revenue from contracts with customers represents the amount that reflects the considerations to which entity expects to be entitled in exchange for goods supplied and service provided to customers during the year. Revenue from contracts with customers is recognized in the statement of profit or loss and other comprehensive income when the performance obligation (supply of promised goods and services) is satisfied. Performance obligation is satisfied at a point in time when customer obtains the control of goods and services. Revenue is recognized as per 5 step model of IFRS 15 as follows:

- i. Identify the contract(s) with a customer;
- ii. Identify the performance obligations in the contract;
- iii. Determine the transaction price;
- iv. Allocate the transaction price to the performance obligations in the contract; and
- v. Recognise revenue when (or as) the entity satisfies a performance obligation.

Software development and support services

Revenue from software development and support services comprises income from time-and-material and fixed price contracts. Revenue with respect to time-and-material contracts is recognized as related services are performed. Revenue from fixed-price contracts is recognized in accordance with the proportionate completion method. Provision for estimated losses on incomplete contract is recorded in the year in which such losses become probable based on the current contract estimates.

Product licenses and related revenues

Revenues from product licenses and related services includes income under multiple element arrangements recognized as License fees and fees for customization/implementation services are recognized using proportionate completion method. Provision for estimated losses, if any, on incomplete contracts are recorded in the year in which such losses become probable based on current contract estimates.

Product maintenance revenues are recognized over the period of the maintenance contract.

Revenue from sale of licenses which are not in the nature of multiple element arrangements are recognized upon delivery of these licenses which constitute transfer of all risks and rewards and has no further obligations under these arrangements.

Revenue in excess of billing represents earnings on ongoing fixed price and time and material contracts over amounts invoiced to customers. Billings in excess of revenue represent amounts billed in case of ongoing fixed price and time and material contracts wherein amounts have been billed in accordance with the billing cycle and efforts would be incurred subsequent to the financial position date.

2.16 Cost of Service Rendered

Cost of Service Rendered represents all cost related to Core Banking System (CBS) and salary & wages, travelling, depreciation & amortization.

2.17 Finance Expense

Finance Expense represents the interest on using overdraft facility to meet up emergency liquidity.

2.18 Non-Operating Income

Non-Operating Income represents the income generated other than revenue like selling scraps and others.

2.19 Provident fund

The company operates a contributory provident fund for its permanent employees, provision for which are being made as per "Rules of the Sonali Intellect Ltd. Employees' Provident Fund" administered by a Board of Trustees in which eligible employees contribute @ 10% of basic salary. The company also makes an equal contribution to the said Provident Fund. The fund has been duly recognized by the National Board of Revenue (NBR) in effect from 30 April 2016.

2.20 Gratuity fund

The company has introduced a gratuity fund (Sonali Intellect Ltd. Employees Gratuity Fund) for all eligible employees who has completed 5 years of service with the company. The gratuity is calculated on the last basic pay and is payable at the rate of one month basic pay for every completed years of service. The gratuity fund has been duly recognized by National Board of Revenue (NBR).

2.21 Workers' profit participation fund (WPPF)

The Company has created 'Workers' Profit Participation Fund' @ 5% of net profit before tax but after charging such contribution as per provisions of the Bangladesh Labour Act 2006 (Amended in 2013) and is payable to workers as defined in the said law.

2.22 Interest income

Interest income is recognized on accrual basis.

2.23 Income tax

The Company is exempted from paying corporate tax up to 30 June 2024 as per Paragraph 21 of 6th Schedule, Part 1 of the Income Tax Act, 2023 being a Software Development and Information Technology Enabled Services (ITES) but if pay tax to Government for any non-operating income of there on as per prevailing tax rate.

2.24 Provision

Provision is recognized if result of past event has a present legal or constructive obligation that can be estimated reliably and it is probable that outflow of economic benefits will be required to settle the obligation.

2.25 Expenses allocation

Expenses allocation during the financial year or period is based on the direct allocation method of all the expenses incurred for the financial year or period are within the scope mentioned are on basis of time, space, actual usage, percentage of direct/indirect expenses and number of employees.

2.26 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. There are no material events that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures presented in the financial statements.

3. General

- i) Figures appearing in these financial statements have been rounded off to the nearest Bangladesh Taka.
- ii) Comparative information relating to previous year have been rearranged wherever considered necessary to conform with current year's presentation.

Notes	31.03.2023 Taka	31.03.2022 Taka
4. Property, plant and equipment		
(A) Cost		
Opening balance	42,002,076	39,035,797
Add: Addition during the year	2,003,925	3,041,446
	44,006,001	42,077,243
Less: Disposal during the year	(120,686)	(75,167)
	43,885,315	42,002,076
(B) Accumulated depreciation		
Opening balance	37,492,909	36,020,975
Add: Charged during the year	2,167,683	1,547,100
	39,660,592	37,568,075
Less: Disposal during the year	(92,526)	(75,166)
	39,568,066	37,492,909
(C) Written Down Value (A-B)	4,317,249	4,509,167
Schedule of property, plant & equipment is given in Annexure-A.		
5. Intangible assets		
(A) Cost		
Opening balance	18,111,141	18,111,141
Add: Addition during the year	-	-
	18,111,141	18,111,141
(B) Accumulated amortization		
Opening balance	18,111,120	18,111,120
Add: Charged during the year	-	-
	18,111,120	18,111,120
(C) Written Down Value (A-B)	21	21
Schedule of Intangible assets are given in Annexure-B.		
6. Accounts receivable		
Opening balance	342,777,519	347,674,783
Less: Prior year adjustment	-	(1,866,264)
Adjusted opening balance	342,777,519	345,808,519
Add: Addition during the year	173,174,750	181,069,130
	515,952,269	526,877,649
Less: Received during the year	(225,204,000)	(184,100,130)
	290,748,269	342,777,519
Client wise Breakup of Accounts receivable are given below:		
Sonali Bank PLC		
Opening balance	243,854,625	237,879,893
Add: Prior year adjustment	-	5,680,732
Adjusted opening balance	243,854,625	243,560,625
Add: Addition during the year	173,174,750	180,001,500
	417,029,375	423,562,125
Less: Received during the year	(225,204,000)	(179,707,500)
	191,825,375	243,854,625

Notes	31.03.2023 Taka	31.03.2022 Taka
Rupali Bank Limited		
Opening balance	98,922,894	109,794,890
Less: Prior year adjustment	-	(7,546,996)
Adjusted opening balance	98,922,894	102,247,894
Add: Addition during the year	-	1,067,630
	98,922,894	103,315,524
Less: Received during the year	-	(4,392,630)
	98,922,894	98,922,894

Disclosure as per Schedule XI, Part I, Para (F) of the Companies Act 1994:

I. Debt considered good in respect of which the company is fully secured

Accounts receivables have been stated at their nominal value. Accounts receivables are accrued in the ordinary course of business.

II. Debt considered good for which the company hold no security

Part of the receivables are unsecured but considered good.

III. Debt due by directors or other officers of the company

There is no such debtors due by or to directors or other officers of the Company.

IV. Debt considered doubtful or bad

Management considered the debts as doubtful in collectively in respect of accounts receivable Tk. 207,721,269 but no provision had been made for any doubtful receivable.

V. The maximum amount due by directors or other officers of the company

There are no such debt due in this respect as at 31 March 2023.

The aging of Accounts receivable as at the statement of financial position date was:

Less than 06 months	83,027,000	90,037,500
More than 06 months but less than 12 months	-	45,018,750
More than 12 months	207,721,269	207,721,269
	290,748,269	342,777,519

7. Other receivable from employees' provident fund

Opening Balance	761,561	662,444
Add: Addition during the year	318,878	99,117
	1,080,439	761,561
Less: Received during the year	761,561	-
	318,878	761,561

8. Advances, deposits and prepayments

Advance income tax	(Note: 8.1)	228,376	50,000
Deposits	(Note: 8.2)	5,091,541	4,911,872
Prepayments	(Note: 8.3)	556,678	1,239,788
		5,876,595	6,201,660

8.1 Advance income tax

Opening balance	50,000	252,342
Add: Addition during the year	228,376	50,000
	278,376	302,342
Less: Adjusted during the year	(50,000)	(252,342)
	228,376	50,000

Notes	31.03.2023 Taka	31.03.2022 Taka
8.2 Deposits		
Rupali Bank Limited - Bank guarantee margin	2,769,701	2,614,409
Abedin Tower Limited - Office rent	1,821,840	1,821,840
Guardian Life Insurance Limited	-	475,623
Security Deposit-Sonali Bank PLC	500,000	-
	5,091,541	4,911,872
8.3 Prepayments		
Abedin Tower Limited - Office rent	556,678	860,314
Insurance - Motor vehicle	-	17,105
AIIM Global Limited	-	249,207
App Triangle	-	113,162
	556,678	1,239,788

8.4 The aging of Advances, Deposits & Prepayments as at the statement of financial position date was as follows:

The details breakup of Advance, Deposit and Prepayments as per requirement of Schedule XI of the Companies Act. 1994 stated below:

Advance, Deposit and Prepayments not exceeding 6 months	728,376	542,728
Advance, Deposit and Prepayments exceeding 6 months	5,148,219	5,658,932
Other Advance, Deposits & Prepayments less provision	-	-
Advance, Deposits and Prepayments considered Good and Secured	5,876,595	6,201,660
Advance, Deposits and Prepayments considered Good without Security	-	-
Advance, Deposits and Prepayments considered Doubtful or Bad	-	-
Advance, Deposits and Prepayments due by Directors	-	-
Advance, Deposits and Prepayments due by Other Officers (against salary)	-	-
Advance, Deposits and Prepayments due from Companies under same management	-	-
Maximum Advance, Deposits & Prepayments due by Directors	-	-

The aging of the Advance, Deposits and Prepayments as at the statement of financial position date was:

Less than 06 months	728,376	542,728
More than 06 months but less than 12 months	155,292	1,222,683
More than 12 months	4,992,927	4,436,249
	5,876,595	6,201,660

9. Cash and cash equivalent

Cash in hand		-	
Cash at bank	(Note: 9.1)	1,710,616	3,448,833
FDR with Banks	(Note: 9.2)	30,445,000	-
		32,155,616	3,448,833

9.1 Cash at bank

Name of the Bank	Branch	Account No.		
Sonali Bank PLC	Local office	0002633140282	4,247	2,729,287
Sonali Bank PLC	Local office	0002632204831	409,547	-
City Bank Limited	Banani	1432618589001	322,330	213,510
Rupali Bank Limited	Local office	0018020009316	4,382	4,382
Sonali Bank PLC	Banani Bazar	0106503000035	614,144	-
Sonali Bank PLC	Banani Bazar	0106001012609	355,965	501,655
			1,710,616	3,448,833

9.2 FDR with Banks

Name of the Bank	Branch	Term		
Sonali Bank PLC	Banani	6 Months	20,445,000	-
City Bank Limited	Banani	6 Months	10,000,000	-
			30,445,000	-

Notes	31.03.2023 Taka	31.03.2022 Taka
-------	--------------------	--------------------

10. Share capital
Authorized capital

50,000,000 ordinary shares of Taka 10 each

500,000,000	500,000,000
-------------	-------------

Issued, subscribed and fully paid-up capital

7,500,000 ordinary shares of Taka 10 each fully paid in cash

75,000,000	75,000,000
------------	------------

10.1 A distribution schedule of the above shares is given below:

Name of the shareholders	Incorporated in	Number of shares	% of share holding	31.03.2023 Taka	31.03.2022 Taka
Intellect Design Arena Limited	India	3,825,000	51	38,250,000	38,250,000
Sonali Bank PLC	Bangladesh	2,625,000	35	26,250,000	26,250,000
Bangladesh Commerce Bank Ltd.	Bangladesh	750,000	10	7,500,000	7,500,000
Panthosoft Limited	Bangladesh	300,000	4	3,000,000	3,000,000
		7,500,000	100	75,000,000	75,000,000

11. Retained earnings

Opening balance

193,591,748	189,848,836
-------------	-------------

Less: Prior year adjustment

-	(3,454,909)
---	-------------

Adjusted opening balance

193,591,748	186,393,927
-------------	-------------

Add: Net profit for the year

35,085,380	25,947,820
------------	------------

228,677,128	212,341,748
-------------	-------------

Less: Dividend for the year

(18,750,000)	(18,750,000)
--------------	--------------

209,927,128	193,591,748
--------------------	--------------------

11.1 Prior year adjustments were given against retained earnings (net) of Taka 3,454,909 for the wrong posting of accounts receivables of Taka 1,866,264 and VAT payables (Revenue) and others amounting to Taka 1,588,645 in the books of accounts of the company.

12. Short term credit facilities

Name of the loan provider	Account number	Type of credit facility	31.03.2023 Taka	31.03.2022 Taka
Sonali Bank PLC, Local Office Branch, Dhaka	00026322048 31	OD	-	9,330,357
			-	9,330,357

Existing terms and conditions of the short term credit facilities

Date of Renewal	1st February 2023
Loan limit	BDT 5 Crore
Tenor on loan	1 year from the date of renewal
Purpose of loan	To support working capital
Security	a) Corporate guarantee
	b) Creation of charge on fixed and floating assets to the Registrar of Joint Stock Companies and Firms in favor of Sonali Bank PLC- Local office, Dhaka to the maximum overdraft limit.
	c) A blank dated cheque for an amount equivalent to the maximum overdraft limit.
	d) Entire future receivables from Sonali Bank PLC shall be kept as a security with the Sonali Bank PLC- Local Office, Dhaka.

13. Accounts payable

Opening balance

9,447,132	9,417,906
-----------	-----------

Add: Unrealised foreign exchange loss

150,970	29,226
---------	--------

9,598,102	9,447,132
------------------	------------------

Aging of the above payables is given below:

Less than 06 months

-	29,226
---	--------

More than 12 months

9,598,102	9,417,906
-----------	-----------

9,598,102	9,447,132
------------------	------------------

13.1 Party wise breakup of Accounts payable are given below:
Intellect Design Arena Ltd.

Opening balance

Add: Unrealised foreing exchange loss

Notes	31.03.2023 Taka	31.03.2022 Taka
	9,447,132	9,417,906
	150,970	29,226
	9,598,102	9,447,132

14. Other accounts payable

Opening balance

Add: Addition during the year

Less: Adjustment during the year

	18,974,624	17,391,059
	6,773,195	9,675,271
	25,747,819	27,066,330
	(10,000,000)	(8,091,706)
	15,747,819	18,974,624

14.1 Breakup of Other Accounts Payable are given below:
Sonali Intellect Limited Employee's Gratuity Fund

Opening balance

Add: Addition during the year

Less: Adjustment/Bank Payment during the year

	18,974,624	17,284,744
	6,773,195	9,675,271
	25,747,819	26,960,015
	(10,000,000)	(7,985,391)
	15,747,819	18,974,624

Other Accounts Payable (other than Gratuity)

Opening balance

Add: Addition during the year

Less: Adjustment during the year

	-	106,315
	-	-
	-	106,315
	-	(106,315)
	-	-

Others accounts payable(other than gratuity) has been transferred or adjusted with retained earnings due to non payment of the liability to the vendors.



	Notes	31.03.2023 Taka	31.03.2022 Taka
15. Accrued expenses			
Withholding Tax & VAT	(Note 15.1)	11,048,013	12,345,706
Vat payable (Revenue)	(Note 15.2)	6,991,705	16,285,955
Provision for Workers' Profit Participation Fund		1,759,052	2,036,397
Worker's Welfare Fund	(Note 15.3)	874,034	643,640
Bangladesh Labor Welfare Fund	(Note 15.4)	389,275	158,881
Investable WPF		614,386	267,547
Dividend payable	(Note 15.5)	-	18,750,000
Office maintenance expenses		-	20,000
Director Sitting Fee		345,000	360,000
Professional Fees		-	105,000
Audit fee		224,500	207,000
Electricity bill		100,000	110,000
		22,345,966	51,290,126
The amount of Taka 389,275 payable as on 31 March 2023 to Bangladesh Labour Fundation Fund in respect of WPPF and WF was paid by the Company on 02 August 2023.			
15.1 Withholding Tax & VAT			
Opening balance		12,345,706	16,068,051
Less: Prior year adjustments		-	-
		12,345,706	16,068,051
Add: Addition during the year		17,542,759	11,049,135
		29,888,465	27,117,186
Less: Paid during the year		(18,840,452)	(14,771,480)
		11,048,013	12,345,706
15.2 Vat payable (Revenue)			
Opining balance		16,285,955	14,845,328
Add: Prior year adjustment		-	1,584,960
Adjusted opening balance		16,285,955	16,430,288
Add: Addition during the year		1,809,659	10,446,040
		18,095,614	26,876,328
Less: Adjustment/Payment during the year		(11,103,909)	(10,590,373)
		6,991,705	16,285,955
15.3 Worker's Welfare Fund			
Opining balance		643,640	643,640
Add: Addition during the year (10 % of WPPF for the year ended 2021 & 2022)		230,394	-
		874,034	643,640
15.4 Bangladesh Labor Welfare Fund			
Opening Balance		158,881	158,881
Add: Addition during the year (10 % of WPPF for the year ended 31 March 2021 & 31 March 2022)		230,394	-
		389,275	158,881
15.5 Dividend payable			
Opining balance		18,750,000	18,750,000
Add: Addition during the year		18,750,000	18,750,000
		37,500,000	37,500,000
Less: Adjustment/Payment during the year		37,500,000	18,750,000
		-	18,750,000
16. Other liabilities			
Employers' contribution		307,863	-
Employees' contribution		307,863	-
Employee's loan from PF		86,224	-
		701,950	-
17. Provision for income tax			
Opening balance		64,775	257,718
Add: Addition during the year		95,663	64,990
		160,438	322,708
Less: Paid during the year		64,775	257,933
		95,663	64,775



Notes	01 Apr 2022- 31 Mar 2023 Taka	01 Apr 2021- 31 Mar 2022 Taka
18. Revenue		
Revenue from annual maintenance charges- Sonali Bank PLC	171,745,000	171,430,000
Revenue from Implementation-RBL	1,783,505	1,016,790
	173,528,505	172,446,790
19. Cost of services rendered		
CBS Suppot cost	1,252,450	874,350
Salaries and wages	64,320,455	67,719,776
Salaries and wages - festival bonus	6,578,617	6,776,980
Recruitment, training and award expenses	431,916	26,250
Travelling expenses	1,687,395	1,211,498
Consultancy and outsourcing expenses	3,018,304	4,319,904
Depreciation	1,625,762	1,160,325
(Note- 4)	78,914,899	82,089,083
20. Administrative expenses		
Salaries and wages	21,440,152	22,573,259
Salaries and wages - festival bonus	2,192,872	2,258,993
Training & Honorarium Fees	190,120	549,683
Directors' fees	598,891	348,334
Office Rent	8,496,556	10,521,126
Travelling expenses	562,465	403,833
Communication expenses	784,299	786,455
Legal and professional fees	267,055	35,778
Electricity bill	1,413,097	1,476,241
Repairs and maintenance	382,508	763,465
Staff welfare expenses	298,388	279,857
Annual Picnic	1,090,202	983,975
Office maintenance	573,544	670,500
Computer Maintenance	1,419,798	-
Insurance expenses	1,758,071	1,465,942
Audit fee	243,667	207,000
Printing and stationery	499,069	340,821
Tax Expense	563,662	-
Depreciation	541,921	386,775
Bank charges	670,968	64,883
Business promotion	759,592	474,532
Advertisement and publicity	8,190	-
License & registration fees	571,650	415,574
Entertainment Expense	721,708	602,560
Gratuity Expense	6,773,195	9,675,271
Contribution to provident fund	4,079,346	4,543,438
Software Subscription fee	64,666	25,000
AMC/Support subscription fee	1,588,589	1,585,518
Foreign Exchange Loss	150,970	29,226
(Note- 4)	58,705,211	61,468,039
21. Finance costs		
Interest on short term credit	90,096	1,792,133
22. Non operating income		
Gain from non current assets	-	6,799
Income from FDR Interest	802,918	-
Forfeited employees provident fund	318,878	99,117
Forfeited others accounts payable	-	110,000
	1,121,796	215,916

23. Related party disclosures

During the year, the company has carried out a number of transactions with related parties in the normal course of business. The names of the related parties and the nature of these transactions have been set out in accordance with the provisions of IAS-24: "Related Party Disclosures".

(Amount in Taka)

Name of related party	Relationship	Nature of transactions	Opening balance as at 01 April 2022	Addition during the year	Adjustment during the year	Closing balance as at 31 March 2023
Sonali Bank PLC	Shareholders	Software development and support service, and product license, related services, dividend.	221,381,414	186,858,000	204,993,250	203,246,164
Intellect Design Arena Ltd. (Formally Polaris Financial Technology Limited)	Parent entity	Consultancy and outsourcing fees, reimbursement purpose and purchase of CBS 10.0 software, dividend.	(18,951,180)	(9,731,922)	19,125,000	(9,558,102)

24. Details of rental premises (Cancelable on short notice)

The Company has been occupying 7,591 Sq. F. of rental premises from Abedin Tower for 3 years the details of which are as under:

Agreement date	Expiry date	Name of the premises	Area (Sq. F.)	31.03.2023 Yearly rent	31.03.2022 Yearly rent
01/02/2022	31/01/2025	Abedin Tower	7591	8,471,556	10,931,040
				<u>8,471,556</u>	<u>10,931,040</u>

Rental period : 3 years

25. Contingent liabilities and commitments

- a) Performance security for CBS project with RBL
 b) Performance security for CBS project with RBL

	31.03.2023 Taka	31.03.2022 Taka
a)	21,778,080	21,778,080
b)	5,918,930	3,288,000
	<u>27,697,010</u>	<u>25,066,080</u>

The Company has been awarded a tender for Core Banking Solution (CBS) with Capacity Building of Rupali Bank Limited at a contract price of Taka 21,780,797 on 03 September 2013 and Taka 32,88,000 dated 19 December 2021 and Taka 26,309,307 several dated upto 31 March 2023 as a requirement of the " Notification of Award " the Company furnished a performance security in the form of guarantee by Sonali Bank PLC, local office for Taka 21,778,080 and Taka 59,18,930 by Sonali Bank PLC, Banani Bazar Branch.

26. Number of employees


Below Taka 3000 per month
 Above Taka 3000 per month


	31.03.2023	31.03.2022
Below Taka 3000 per month	62	66
Above Taka 3000 per month	<u>62</u>	<u>66</u>

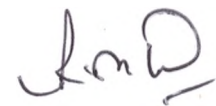
27. Change in estimates

- 27.1 The company has re-estimated some of its components of financial statements for the year ended 31 March 2022, which resulted an amount of adjustment of Taka 3,454,909 from which the company recognised Taka 215,916 as non operating income for which, the company recognised income tax expense accordingly.

Dhaka,
 22 August 2023


S.M. Jahangir Akhter
 Chief Executive Officer


Mohammed Rezwan Al Bakhtiar
 Director


Raju Daryani
 Chairman

Sonali Intellect Limited
Schedule of Property, Plant and Equipment
As at 31 March 2023

Name of assets	Cost				Depreciation					Written down value as at 31 March 2023
	Balance as at 01 April 2022	Addition during the year	Disposal during the year	Balance as at 31 March 2023	Rate	Balance as at 01 April 2022	Charged during the year	Disposal during the year	Balance as at 31 March 2023	
Air conditioners	995,793	-	-	995,793	15%	836,943	39,463	-	876,406	119,387
Computer and IT equipment	33,352,261	1,970,000	120,686	35,201,575	33.33%	29,822,703	1,943,745	92,526	31,673,922	3,527,653
Furniture and fixtures	277,953	33,925	-	311,878	10%	189,389	27,295	-	216,684	95,194
Office equipment	2,790,069	-	-	2,790,069	10%	2,057,875	157,180	-	2,215,055	575,014
Motor vehicle	4,586,000	-	-	4,586,000	20%	4,585,999	-	-	4,585,999	1
Total as at 31 March 2023	42,002,076	2,003,925	120,686	43,885,315		37,492,909	2,167,683	92,526	39,568,066	4,317,249
Total as at 31 March 2022	39,035,797	3,041,446	75,167	42,002,076		36,020,975	1,547,100	75,167	37,492,909	4,509,167

Depreciation charged during the year is being allocated to cost of services rendered and administrative expenses on the basis of location where the assets are used.

Allocation of depreciation	31 March 2023	31 March 2022
	Amount in Taka	
Cost of services rendered (75%)	1,625,762	1,160,325
Administrative expenses (25%)	541,921	386,775
Total	2,167,683	1,547,100

Sonali Intellect Limited
Schedule of Intangible Assets
As at 31 March 2023

Name of assets	Cost				Amortization					Written down value as at 31 March 2023
	Balance as at 01 April 2022	Addition during the year	Disposal during the year	Balance as at 31 March 2023	Rate	Balance as at 01 April 2022	Charged during the year	Disposal during the year	Balance as at 31 March 2023	
Intangible Assets	18,111,141	-	-	18,111,141	33%	18,111,120	-	-	18,111,120	21
Total as at 31 March 2023	18,111,141	-	-	18,111,141		18,111,120	-	-	18,111,120	21
Total as at 31 March 2022	18,111,141	-	-	18,111,141		18,111,120	-	-	18,111,120	21

Amortization charged during the year is being allocated to cost of services rendered and administrative expenses on the basis of location where the assets are being used.

Allocation of depreciation	31 March 2023	31 March 2022
	Amount in Taka	
Cost of services rendered (75%)	-	-
Administrative expenses (25%)	-	-
Total	-	-