CASE STUDY

Total marks: 100 **Time allowed:** 4:30 hours

Instructions:

1. Check that your question paper contains all the exhibits as mentioned in page 3. The consecutive page numbering may be found under the base line at the foot of each page.
2. Use the answer script provided by the Institute. Write your name, roll no., registration no. and name of the subject on the upper portion of the cover page of the answer script.
3. Candidates are asked not to write any particulars of identification in any other place of the answer script and additional pages if taken.
4. Questions must be answered in English.
5. The answer should be referenced to the relevant workings.
6. Answer script and additional page(s) taken to write answer, used or unused, must not be removed or taken away from the Examination Hall.

Requirements & Marks Allocation:

You are Saiful Amin, Manager at Farzana Munir & Co., Chartered Accountants (FMC). You directly report to Mrs. Farzana Yeasmin FCA, Senior Partner of the firm. NMC has been providing various advisory services to Biponi Limited. Recently your firm has been reappointed as consultant of another year. Mrs. Farzana Yeasmin FCA, partner of the FMC, has received an e-mail from Biponi Limited Managing Director Mr. Shadman Kibria (**Exhibit-1**) requesting consultation on some matters. Mrs. Farzana Yeasmin FCA has asked you to prepare a report covering all the requirements stated in the e-mail sent by Mr. Shadman Kibria. Mrs. Farzana has shared you some information and news (**Exhibit-7** and **Exhibit-8**) related to the ecommerce sector and online marketplace in Bangladesh which needs to be considered while preparing the report.

Requirements:

You are required to prepare a draft report for Mrs. Farzana Yeasmin FCA which should comprise the following elements:

- ❖ An executive summary
- ❖ Your responses to the detailed requirements (a), (b) and (c) set out in Exhibit-1**.**
- ❖ State clearly any assumptions that you make.

Of the total marks, 10% are included for the relevant discussions of ethical issues within your answer to the requirements.

Marks Allocation:

All of the marks in the Case Study are awarded for the demonstration of professional skills, allocated broadly as follows:

Requirements	**Professional Skills**					**Total**
	Assimilating and using information	Structuring Problems and solutions	Applying Judgment	Conclusions and making recommendations	Integrative & multidisciplinary skills	
Executive Summary	3	4	3	3	2	**15**
Requirement (a) (i)	3	4	3	3	2	**15**
(ii)	3	3	2	2	0	**10**
Requirement (b) (i)	2	2	2	2	0	**8**
(ii)	5	4	2	2	2	**15**
(iii)	3	2	2	2	0	**9**
(iv)	2	2	2	2	0	**8**
Requirement (c) (i)	2	2	2	2	2	**10**
(ii)	2	2	2	2	2	**10**
Total	**25**	**25**	**20**	**20**	**10**	**100**

In planning your report, you should be aware that not attempting one of the requirements, including an executive summary, will have a significantly detrimental effect on your chances of success. In addition, as indicated above, all skills areas will be assessed under each element of your report.

You should be clear that marks are awarded for demonstrating your professional skills, not for reproducing facts from the case. To be successful, you will need to:

- Demonstrate your knowledge of the case material and make use of your analysis.
- Carryout relevant analysis of the problems and structure your proposed solutions.
- Apply your judgment based on the analysis that you have carried out
- Draw conclusions from your analysis and judgment in developing practical commercial recommendations.
- Ethical issues may cover the following topic-
  - Lack of professional independence or objectivity
  - Conflict of interest among stakeholders
  - Doubtful accounting or commercial practice or market competition or Market proximity
  - Inappropriate pressure to achieve a reported result.
  - Compliance of local laws and regulations
- Integrative & multidisciplinary skills may cover the following areas-
  - Depletion and wastage of natural resources and its impact on environment and climate change.
  - Impact on pollution, on the public health and productivity and on the national health budget.
  - Social impacts, e.g., social unrest for allowing use of alcohol, bar, etc.
  - Economic impacts, e.g., on employment generation and improvement in connectivity using ICT.

LIST OF EXHIBITS

List of persons in the Case and their Roles

SL.	Names	Roles
1	Saiful Amin (You)	Manager at FMC
2	Farzana Yeasmin FCA	Senior Partner at FMC
3	Shadman Kibria	Chief Executive Officer at Biponi Limited
4	Shaheen Alam	Chief Operating Officer at Biponi Limited
5	Anawar Zaman FCA	Chief Financial Officer at Biponi Limited
6	Moinul Islam	Chairman of the Board
7	Farhan Chowdhury	Managing Director
8	Abdul Mannan	Nominee Director of International Market Limited

EXHIBIT – 1

E-MAIL

From : Mr. Shadman Kibria, CEO, Biponi Limited
To : Mrs. Farzana Yeasmin FCA, Senior Partner, FMC
Subject : Confirmation of appointment for advisory engagement.
Date : 30 March 2023

Dear Mrs. Yeasmin,

It is my pleasure to inform you that the Board of Biponi Limited (Biponi) has approved reappointment and proposed fees of FMC for business advisory services till end of 31 March 2024. You scope of works remains the same and includes:

- Assess and analyze business operations for formulating business strategies.
- Evaluation of strategic options and viability of financing for investment opportunities considering past performances & prospects of the company and related business issues. Assisting us in raising funds through initial public offering (IPO) of shares, Issuance of Bond and perform necessary evaluation of investment options, Risk Management, Governance, Due Diligence, Restructuring, etc.
- Review and advise on various Accounting, Tax, financial and internal control related issues of the company.
- Support on various regulatory and secretarial matters as and when solicited.

We are currently reviewing our current business positions and analyzing available strategic options where we need input from your firm. In this regard, I am sharing a brief note on Biponi Limited, its operation, and its plans **(Exhibit-2)**. I am also sharing the extracts of financial statements of the Biponi for the year ended 31 December 2022 (**Exhibit-3).** For your easy reference I have attached a brief note about E-Commerce and Online Marketplace industry in Bangladesh (**Exhibit-4**) and copy of emails from our Finance Director (**Exhibit-5**) and Operations Director (**Exhibit-6**). Apart from these, consideration the relevant information available (**Exhibits-7 & 8)** in your analysis and to draw your conclusion and recommendations for the requirements stated below.

You are required to prepare a **draft report** for the board which should include an ***Executive Summary*** and cover:

(a) (i) Evaluation of financial and non-financial performances of Biponi Limited and its current financial position considering the required adjustments for reporting and compliance issues stated in **Exhibit-5**.

(ii) Evaluate of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) of Biponi's existing business.

(b) (i) Analyse the Pros & Cons of strategic options (acquisition of Digipay by share exchange & Eagle by external borrowings) as stated in **Exhibit-6**.

(ii) Calculate the share exchange ratio if the Digipay acquisition scheme is executed based on book value as on 31 December 2022. What would be the share exchange ratio if, instead of book value, considering the future unlevered cash flows as stated in **Exhibit-6**. Suggest the better share exchange ratio considering the diluted EPS of Biponi Limited after the acquisition of 'Digipay'. State the incremental risks of using future estimated cash flows instead of book value for acquisition scheme.

(iii) Suggest whether acquisition of Eagle will be feasible for Biponi Limited through external borrowing.

(iv) Based on your analysis and calculation above in b (i, ii, iii), advice on the options if Digipay and Eagle acquisitions are not mutually exclusive.

(c) (i) Assess Human, Social, Economic and Environmental factors concerning Biponi's operations; and

(ii) Comment on the ethical issues of Biponi's business and operations.

State the assumptions used and provide your workings as annexure(s) to the report.

I look forward to receiving your draft report on or before 20 April 2023.

Yours sincerely,
Shadman Kibria
Chief Executive Officer (CEO), Biponi Limited

EXHIBIT – 2

A brief note on Biponi Limited and its business operations.

Company Background

Biponi Limited (Biponi) is an e-commerce company based out of Dhaka, Bangladesh. It owns and operates Biponi.com which is a popular marketplace. The website acts as the intermediary between the customers and the sellers. Seller opens a seller account with Biponi which allows to set up an online shop at Biponi website. Customers visiting Biponi website can search their desired product from the site and choose from many vendors based on their price offering and customer feedback.

Mr. Monirul Islam and Farhan Chowdhury, who are friends and founder of Biponi.com, started the e-commerce site in 2007 as part of business initiative right after their graduation. Country has been embracing internet based business and online transaction. Initial plan of two friends were to sell computer parts and accessories to university students and young adults. Their business model was to purchase the computer parts and accessories from authorized agents and importers of various brands in a large scale at a discounted price and sell them online adding a small markup.

Price at Biponi was comparatively lower from traditional computer shops. Furthermore, it used to offer various promotion in their website. This allowed students and young adults to purchase from Biponi at a reduced price. This made Biponi a very popular and 'go to' site for computer parts and accessories purchase. In order to connect with customers and create new customer base, Biponi maintained a Facebook group where it would post their new products and promotions. Further, it would allow customers to request for products that is not currently available on the website. This helped Biponi to understand customer demands and add new items to sale. In addition to computer parts and accessories, it started to sell various computer games, gaming equipment and other items.

Till 2012, Biponi was experiencing slow growth. Although it was becoming popular, but it was operating at slightly above breakeven. It had around 12,000 customer base most of which are not repetitive customers. Furthermore, most of the customer based was from Dhaka only. Primary reason for that Biponi could provide 'home delivery' to customers from Dhaka and collect cash on delivery. Customers from outside Dhaka needed to pay upfront before getting the delivery through courier service. These out-of-city deliveries were often delayed and lost or damaged during delivery process.

In 2012, founders of Biponi re-designed the business process and introduced new line of products to sell. It introduced several other product categories like Apparels, Hope appliances and mobile phones. These new product categories were allowed Biponi to diversify its business. Biponi continued to use their existing business model by purchasing at high volume and in discounted price and selling them adding markups. Although the new products were favoured by existing customers, but customers still used the site for purchasing computer parts and accessories item. Biponi needed a brand repositioning among the customers. Biponi offered various promotional offers but sales for new product categories were not high enough. Primary reason behind this was focusing only on customers in Dhaka. Furthermore, customers preferred physical visit to the shops before making a purchase of large sum. Because the products were remained unsold for a significant period, Biponi's working capital were stuck in inventories which is also losing its value due to arrival of newer models.

In order to recover the working capital, Biponi started a new promotion scheme which allowed customers from entire country to purchased products from new category at 25% discount with delivery free of cost. In addition, lucky 5 customers will get branch new laptop, desktop, mobile phone or 100% cash back. Biponi ran various ads in TV, social media and newspapers. This created a buzz and attracted customers from across the country. The promotion was huge success and Biponi sold its entire inventory in a month. Since then, Biponi experienced surge in demand of new product lines.

This gave Biponi an opportunity to negotiate with manufacturers of home appliances and purchase at a lower price. However, Biponi started to face several issues. First, product that Biponi sold were not covered by any manufacturer's warranty. Second this required significant amount of investment to purchase inventories and store them in own warehouse. This warranted to revisit Biponi's the business model once more.

Biponi owners understood that in order to grow and expand the business, Biponi need to be converted to a company which will allow them to earn trust of the business partners as well as create access to fundings. Accordingly in July 2012, Biponi Limited was formed which owned the site Biponi.com. Monirul Islam and Farhan Chowdhury, founders of Biponi.com, each held half of the shares of Biponi Limited.

Under the new business model, Biponi Limited went under agreements with the manufacturers, agents and importers which included that Biponi would be the exclusive online sellers for these manufacturers, agents and importers. They would include Biponi in their own promotion. Biponi in turn would promote their brands in its own promotions. Biponi would sell their products on commission. Biponi would place order to these suppliers as soon as it receive orders online. Suppliers would prioritize delivery to Biponi and receive the payments within 30 days from delivery. Biponi would collect the products from supplier and deliver to customer at their own risk.

The arrangement benefited both parties as Biponi's sales has increased, and supplier had access to new customers which were not accessible to them earlier. However, Biponi was still facing challenges in delivering the goods in both within Dhaka and outside Dhaka. To overcome this issue, Biponi made agreement with 'Rocket Express Limited' and 'Eagle Delivery Services Limited' which allowed Biponi to deliver goods throughout the country.

In 2015, Biponi went into agreement with 'Digipay' which is an online payment gateway and payment processor. This allowed Biponi to add online payment option on the website where customers could pay through cards and mobile financial services (MFS). Customer could select the option to pay online or cash on delivery. In order to encourage customers, pay online, Biponi provided 2% discount on the payment. Digipay charged 1.5% commission on the transaction amount.

As sales grew, Biponi started to add new product categories and went into agreement with various new suppliers. It became difficult for Biponi to manually track the orders, receiving delivery from suppliers and making them available to delivery partners, collection from customers and making payment to suppliers. It required lots of human resources and incurring a lot expenses. Therefore, its bottom-line profit was very poor.

At the beginning of 2020, Biponi increased its paied up capital by issuing new shares to existing shareholders as well as to 'International Market Limited' (IML). IML is an ecommerce company operating internationally. With guidance and investment from IML, Biponi changed its business model, reengineered it supply chain process and become an online marketplace. In the same year Biponi launched its mobile app which was well appreciated by the customers. During the covid-19 pandemic, Biponi's business boomed as most of the country was under lockdown and people preferred to buy products from online marketplace.

Key Management

Records of the company shows following persons as member of the board and departmental heads.

Persons	Ownership %	Position at the board
Monirul Islam	30%	Chairman of the board
Farhan Chowdhury	30%	Managing Director
International Market Limited	40%	Shareholders
Abdul Mannan	0%	Nominee Director of International Market Limited
Shadman Kibria	0%	Chief Executive Officer
Shaheen Alam	0%	Chief Operating Officer
Anawar Zaman FCA	0%	Chief Financial Officer

Business Model

Present business model of Biponi is to act as intermediary between customers and sellers. Major functions of the business include Marchant management, Customer management, Delivery management and payment management.

Merchant Management:

Merchant management functions are related to managing the sellers in the marketplace. These vendors register with Biponi to set up their online shop within Biponi.com. Merchants can simply go to Biponi merchant center of the website and register by creating a merchant profile using email address. Merchants can open profile either as individual or as business. If the merchant is a brand owner, it can set up its shop at Biponi Exclusive Section which is the premium product section. Otherwise, shop will be set up under Biponi Universal Section which is regular product section.

While creating merchant profile, merchant needs to verify his phone and email, provide business or warehouse address, legal documents, bank information to complete the profile. Merchants are also required to upload the details of products it is going to sell. Biponi ensures that all the products that are delivered to the customers are packaged in

Biponi branded boxes or wrappers. Merchants are required to purchase these packaging materials from Biponi itself through the website. In few clicks Merchant account is set up and digital shop can be opened at Biponi website.
A merchant can only start selling once seller profile is activated. It takes nearly 48 hours for Biponi to review, verify and activate the seller profile. Once profile is activated, merchant can start selling on Biponi. Biponi charges 3% - 20% commission on the sales price based on the product category. For the premium brands, commissions are lower, but those brands are required to promote selling through Biponi at their websites and marketing promotions. These premium brands draw web traffic to Biponi site which also leads to sale of other products earning sales commission to Biponi.

Customer Management

Customers are the primary focus of Biponi. customers are acquired either by running targeted promotions in social media, news media and billboard or referral agreements with brand merchants. Targeted ads are either general promotion running throughout the year or special campaigns for special events during major public holidays like Bengali and English new year, religious and national holidays, or special sales campaign like 'Sunny Sunday' and 'Black Friday'. Other process of acquiring customers are referral agreements. In referral agreements, branded merchants run campaign for their products in their own site during new product launch, special discount and refers to Biponi by adding "*available on Biponi*" or "*Exclusively available in Biponi*" or "*Special discount available on Biponi*" in their campaign. These referrals redirect customers to Biponi website and increase web traffic. Furthermore, these referral words enhance customer confidence on Biponi.

Customers can access Biponi marketplace by either visiting Biponi.com website or through mobile apps. Biponi has made its apps available in 'Microsoft Store', "Apple App Store" and "Google Play Store". Customers can download the app from any of the app store and access Biponi. Anyone can search and scroll through the product lists and read product reviews without purchasing or even creating a customer account in Biponi. However, customer must have to open up a customer profile at the time of purchase. Customer needs to sign up using their email. After verifying email address and phone numbers, customer can start purchasing from Biponi.

At the checking out stage customer needs to select payment options between 'Cash on delivery' or 'Pay online'. If cash on delivery is selected, customer pays when they receive the product. If 'pay online' option is selected, site redirects the customer to 'Digipay' where customers can pay either through card or MFS. Customers are redirected to Biponi site once payments are done successfully. Customers receives their ordered product in 2 to 15 business days depending on product category and product availability. Based on the amount spent, customer receives 'B-coins' which can be exchanges for discount. Customers also pays the delivery charge with product price. Biponi charges a minimum delivery charge for each purchase, but it can increase depending on the customer location.

Delivery Management:

Backbone of Biponi's business model is delivery management. This the supply chain function which starts from collecting products from merchant and delivering to customer. Biponi handles most of the customer delivery within Dhaka city. But for the delivery outside Dhaka, Biponi uses delivery service of its delivery partners 'Rocket Express Limited' and 'Eagle Delivery Services Limited'. Eagle is responsible for delivery in the northern part of the country and Rocket is responsible for delivery in the southern part of the country.

When a customer places order, a business software linked with the website assigns an order id and sent notifications to the merchant selling the item. Once the products are ready and packed with Biponi branded packages including the customer details and order id, merchant informs notifies Biponi through 'Biponi merchant app'. Biponi or its delivery partners then picks up the package and transfer to the central hub. Central hub then ships the package to local delivery point nearest to the customer address. Packages are then delivered by the deliveryman of designated local delivery point.

Biponi itself manage the central hub and delivery partners maintains local delivery points. In case of cash on delivery, local delivery hubs collect the cash and deposits to Biponi bank account in the first hour of business in the next working day.

When customers initiate a product return through the app, nearest local delivery point receives notification and picks up the product from customer. These delivery points transfer the returned goods to central hub which in turn transfer to delivery point nearest to merchant to return the item to merchant. When picking up the returned product from customers, delivery man ensures whether products are damaged or in good condition. Based on their inspection report, customers receive their refund.

Payment management:

Payment management deals with cash collection from customer, monitoring cash collection on delivery and reconciling with amount receipt in bank, reconciling with payment received through Digipay, payment to merchant, charging commission and customer refunds. Business software inbuild with the website helps Biponi to manage and track the cash movement and reconcile with the order id and merchant id. When customers pay though Digipay, it charges 1% commission on transaction value and remits the net amount to Biponi bank account. On the other hand, Biponi pays merchants within 15 to 30 days from the date of shipment by merchant. In case of product return and customer refund, Biponi adjust the payable amount to merchant and deposit the refund amount to customer bank or MFS account. Delivery partners receives their payment bi-weekly basis. Delivery partners are paid from the delivery charge collected from the customer.

Future plans

Biponi vision itself to be the number one marketplace of the country. In order to reach to this vision, Biponi plans to increase product variety and customer base multifold. Biponi plans to continue to its existing targeted ad campaigns and referral agreements. It plans to increase number of referral agreements by adding new branded merchants. Biponi further plans to expand marketplace coverage form to global level.

Financing strategy

Biponi's current financing sources are mostly retained earnings and borrowings from banks. These sources are used for financing working capital and short-term loan. In case of long-term financing, Biponi plans to seek new investment.

Financial reporting

Biponi follows a financial year January to December. It has recently completed preparing its draft financial statements for the year ended 31 December 2022 and shared with its auditor Mirza Abbas & Co., Chartered Accountants (MAC). MAC is going to audit Biponi for the first time. Biponi had to appoint MAC since it has policy of rotating auditor in every three years. This policy was introduced as requirement from International Market Limited (IML). In order to comply with the policy requirement, board approved appointment of MAC after receiving a personal recommendation from Anawar Zaman FCA, company CFO. Since the shareholders and nominee directors sits in the board, no separate AGM were held in last 5 years. Biponi's secretarial consultant takes care of relevant the legal proceedings and regulatory filings.

Corporate Social responsibility

As a good corporate citizen, Biponi is committed to supports economic and environmental sustainability by being socially responsible. As part of social responsibility program, Biponi encourages women empowerment and includes significant number of women in the workforce. It is focused on creating an environment where women can thrive and grow into leadership positions. At present nearly 30% of the workforce are women but Biponi plans to improve the ratio.

Biponi as part of corporate social responsibility, runs an online training academy which trains member of the society on the concept of ecommerce, how it can be earning source for the people, how they can be a merchant at Biponi and sell products throughout the country. This helped many individuals and smalls business form remote area of the country to sell its product nationwide and becoming solvent. In addition to the above activities, Biponi has performed following CSR Activities:

- Donating gift box to orphans on religious holiday.
- Co-ordinated with NGOs who helps women in home crafted items and small & cottage industry and selling those times nationwide.
- Creating jobs through delivery partners and reducing amount of unemployment.
- Assisting small merchants in pricing their products and product placement to get maximum reach.
- During Covid-19 pandemic, it used its delivery network to deliver foods and safety equipment to the poor.

Environmental and safety policy

Biponi is committed to maintain safety policy for its own and delivery partners employees. It also aims to protect environment. Biponi encourages its deliver partners to ensure its deliverymen in local delivery points uses bicycle. This would reduce environment pollution. It also tries to use minimum number of vehicles to transport products collected from customers and transferring them to local delivery points. Biponi has equipped first-aid kits and fire safety equipment in its office and warehouse. It also designated space for handling heavy products that picked up from merchants and going to customers. Biponi allowed merchants to setup their shops online. They do not require to open physical shops. This helps to limit usage of financial and natural resources.

EXHIBIT – 3

Summary and Extracts of Financial Statements of the Biponi Limited

Statement of Financial Position
As of 31 December 2022

	31-Dec-22	31-Dec-21
	Million BDT	Million BDT
Assets		
Non-current Assets		
Property, Plant & Equipment	276,782	264,935
Investment	247,617	241,544
Intangible assets	164,334	160,306
Prepayments, receivables and other assets	161,329	28,018
	850,062	**694,803**
Current Assets		
Advance, Deposits & Pre-payments	84,229	58,590
Restricted cash & escrow receivables	19,713	18,445
Short Term Investment	28,478	3,262
Cash & Cash Equivalents	330,503	313,875
	462,923	**394,172**
	1,312,985	**1,088,975**
Equity & Liabilities		
Shareholders' Equity		
Share Capital	470,800	470,800
Retained Earnings	408,851	268,501
	879,651	**739,301**
Non-Current Liabilities		
Long term borrowings	56,723	35,427
Long term unsecured loans	97,679	76,407
Deferred tax liabilities	9,772	22,517
Other liabilities	27,288	7,654
	191,462	**142,005**
Current Liabilities		
Unsecured loans	5,154	22,466
Escrow money payable	3,014	8,250
Accruals, provisions & other liabilities	161,536	117,711
Income tax payables	20,190	17,685
Merchant deposits	13,640	10,762
Deferred revenue and customer advances	38,338	30,795
	241,872	**207,669**
	1,312,985	**1,088,975**

Statement of Changes in Equity
As at 31 December 2022

Figures in Million BDT

Particulars	Share Capital	Retained Earnings	Total
Balance as on 01 July 2020	**470,800**	**188,267**	**659,067**
Profit for the year	-	80,234	**80,234**
Balance as on 30 June 2021	**470,800**	**268,501**	**739,301**
Profit for the year	-	140,350	**140,350**
Balance as on 30 June 2022	**470,800**	**408,851**	**879,651**

Biponi Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	2022	2021
	Million BDT	**Million BDT**
Revenue	509,711	376,844
Less: Cost of Revenue	(282,367)	(206,929)
Gross Profit	**227,344**	**169,915**
Less: Operative expenses	(141,647)	(112,265)
Net operating profit	**85,697**	**57,650**
Add: Finance Income	101,776	52,654
Less: Finance Charges	(5,180)	(5,190)
Profit before Tax	**182,293**	**105,114**
Less: Current Tax Expenses @ 30%	(54,688)	(31,534)
Deferred Tax income	12,745	6,654
Profit for the year	**140,350**	**80,234**
Other Comprehensive Income	-	-
	140,350	**80,234**

<u>Notes to the financial statements</u>

Note-01 Revenue

	2022	2021
Commission	311,987	216,383
Customer Analytics	143,970	121,102
Logistics service	53,754	39,359
	509,711	**376,844**

Note-02 Cost of Revenue

	2022	2021
Payment processing Fee	61,923	45,951
Marketplace Software & Data management	122,369	89,489
Facility & Logistics management	98,075	71,489
	282,367	**206,929**

Summary of 5 Year Financial Information

Figures in million BDT (except number of shares)

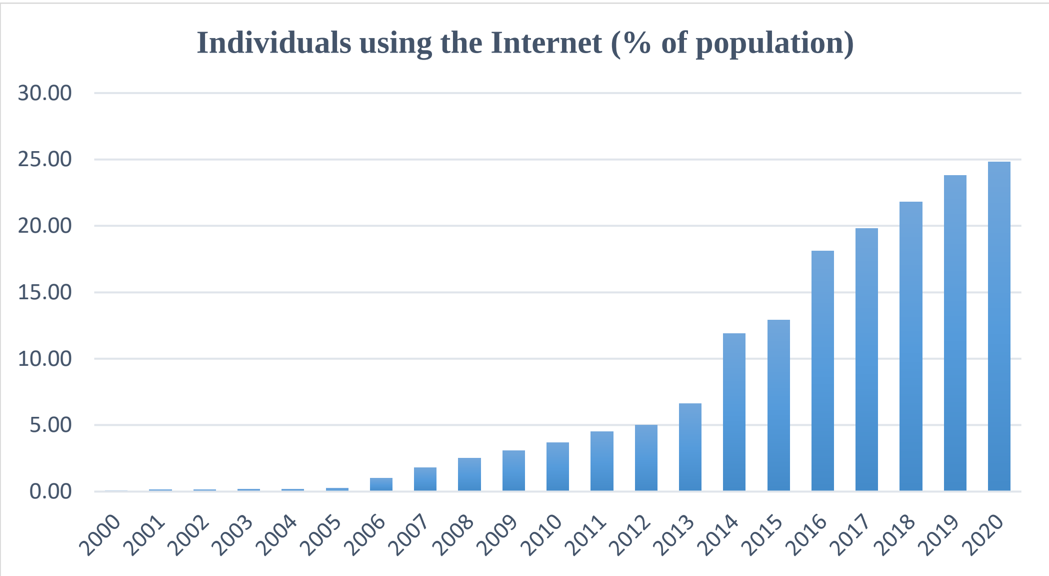
Significant Line Items	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
Revenue	509,711	376,844	250,266	158,273	101,143
Gross profit	227,344	169,915	143,222	98,790	87,355
Net profit	140,350	80,234	61,412	41,226	85,629
Share capital	470,800	470,800	470,800	188,320	188,320
Number of Shares	47,080	47,080	47,080	18,832	18,832
Total Equity	879,651	739,301	659,067	315,175	273,949
Retained Earnings	408,851	268,501	188,267	126,855	85,629
Current Assets	462,923	394,172	288,102	146,747	111,518
Non-Current Asset	850,062	694,803	429,022	360,065	252,727
Total Assets	1,312,985	1,088,975	717,124	506,812	364,245
Current Liabilities	241,872	207,669	19,312	54,449	35,671
Non-Current Liabilities	191,462	142,005	38,745	137,188	54,625
Total Liabilities	433,334	349,674	58,057	191,637	90,296
NAV	27.9	23.1	15.2	26.9	19.3
EPS	2.98	1.70	1.30	2.19	4.55

<u>EXHIBIT</u> – 4

A brief note on ecommerce sector and online marketplace in Bangladesh.

The ecommerce sector has seen dramatic growth since the early 2000's, when Bangladesh lacked widespread internet access or a reliable online transaction system. Although several e-commerce operating in the country, according to the e-Commerce Association of Bangladesh or e-cab, the country lacked the necessary regulations and infrastructure for online transactions until 2008. In addition, internet services were expensive at the time, so the internet penetration rate was relatively low. Hence most of the country's population was unfamiliar with these e-commerce sites. However, situation changed when WiMAX Internet was introduced in the country. As number of internet users increased, ecommerce sector experienced massive growth. Bangladesh ranked 147 out of 176 on the ITU's ICT Development Index 2017, an annual report that captures the level of ICT development. The Bangladesh Telecommunication Regulatory Commission (BTRC) puts total internet subscribers at 123.82 million as of December 2021, of which only 10.09 million use broadband connections while the rest are mobile internet users. Widespread internet access led to massive growth of ecommerce and online marketplace in Bangladesh.

Munshiji is believed to be the first e-commerce in Bangladesh that Munshiji Technology Limited launched in 1999 to export handicrafts, silk, jute products, tea, leather, and leather goods. In April 2005, another e-commerce platform ClickBD.com was launched. Initially, users could use this website to sell any product. Besides having a marketplace, the platform later added online stores. Finally, in 2006, country's first free classified ad website CellBazaar was launched which later was renamed ekhanei.com. In 2009, Bangladesh Bank introduced regulations for online transactions. Payment gateway infrastructure was developed for the first time in the country in 2010 with the establishment of 'SSLCOMMERZ' which now is the largest payment gateway in Bangladesh.



3G internet technology was introduced in Bangladesh in 2012. With increased internet penetration, e-commerce operating in the country started getting much-needed stability. In the same year, an online bookselling platform rokomari.com was launched following the strategy of global e-commerce giant Amazon.com. Bikroy.com, which was established in October 2012, has become the country's largest C2C and B2C marketplace in consumer product sales. In 2013, the Bangladesh Bank also permitted the purchase and sale of goods and services online using international credit cards. This opened a new horizon for Bangladesh ecommerce and online marketplace. In January 2014, the E-Commerce Association of Bangladesh or E-cab was established to acknowledge e-commerce related concerns and ensure the growth of the sector in the country.

With the launch of delivery services like eCourier in 2014 and Pathao Courier in 2015, many more online-based parcel delivery services started coming to the market, which has played a significant role in the growth of the e-commerce sector in the country. With newfound market, many online groceries providers, home appliances retailers started to emerge. Big brands also embraced ecommerce and started launching their e-commerce websites. E-cab has declared that year as 'The E-commerce year 2015'.

Significant growth of ecommerce also attracted scammers and fraudulent ecommerce sites. Many ecommerce sites started offering various lucrative offers and huge discounts. Customers were frequently scammed by either providing inferior quality product or delivering no products at all. In In 2018, the Government of Bangladesh published a digital commerce policy as a guideline for e-commerce websites and to ensure consumer rights. In addition, it was established that copyright, hacking, and product pricing issues were to be enforced directly by the Ministry of Commerce. Bangladesh Bank introduced an 'escrow service' for e-commerce in June 2021 to ensure customer rights and to stop fraudulent activities. Under the 'Escrow Service" guidelines from government, banks or financial institutes will withhold online consumers' advance payments until the seller has appropriately delivered the product.

In order to facilitate eCommerce and encourage the growth of information technology, the Bangladeshis enacted the Information and Communication Technology (ICT) Act of 2006. The Act, amended in 2013, included provisions for imprisonment and/or fines for cyber-crimes. The enactment of the Act has had significant implications for e-commerce and mobile commerce users and companies in Bangladesh. The growth of the industry has been inhibited by low usage of credit and debit cards (cash remains the major payment method) and the unavailability of or restrictions on major online transaction sites such as PayPal. The Government of Bangladesh withdrew the 49 percent maximum allowable shareholding limit on foreign E-commerce companies in June 2020, allowing 100 percent foreign-owned companies to operate in Bangladesh. Even though government has taken many initiatives, much focus has not given on protecting intellectual property rights. The present system of trademark protection lacks a sufficient legal framework to protect intellectual property rights and opens the way for those ready to engage in unscrupulous business practices.

Despite significant growth in the e-commerce sector of Bangladesh, the industry is still in its infancy. Only 4% of the country's consumers shop online, while the rest prefer shopping malls, markets, or physical shops. As a result, e-commerce businesses have not yet become popular. However, due to the Corona epidemic, the country's e-commerce sector enjoyed a great deal of traction.

Based on inventory, there are two types of business models in the e-commerce sector of Bangladesh. One is the 'retail or inventory lead' model, where e-commerce platforms buy products wholesale and caters to retail customers. The other is the 'Marketplace or Zero Inventory' model, where e-commerce businesses act as trustees between vendors and consumers. In addition, there is another business model called the 'Mercantile Model,' where e-commerce platforms provide delivery services on a commission basis and do not maintain any inventory. Currently, the following four types of eCommerce are popular in Bangladesh:

- **Business-to-Consumer (B2C)**
  B2C websites have become popular in large urban areas, as evidenced by the growth of online food delivery services Pathao, foodpanda and HungryNaki. Highly congested roads and poor driving conditions have also helped drive demand for home delivery services. B2C initiatives are further noticed on Facebook-based commerce platforms which allow Bangladeshi customers to purchase products from online shopping sites from USA, UK, India, and China.

- **Consumer-to-Consumer (C2C)**
  C2C businesses are also growing. The leading players in this category include Bikroy.com. This also includes services of ride sharing services like Uber and pathao.

- **Business-to-Business (B2B)**
  Several B2B websites in Bangladesh are engaged in providing manufacturing and supply-chain solutions. For instance, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has deployed B2B e-commerce solutions for international ready-made garment (RMG) orders and procurement, as have several large ready-made garment companies. There are also B2B websites that feature business directories, trade deals, and information about suppliers and market data.

- **Business-to-Employees (B2E)**
  Online employee recruitment is also growing, largely in the private sector. Leading online job advertisers and recruiters include bdjobs.com.

With the increase of ecommerce sector, there was opportunity to introduce cross-border eCommerce in Bangladesh. This could have opened new market for countries ecommerce sites. However, cross-border eCommerce remains largely constrained by viable online transaction system and capital controls that prevent most outward flows of foreign currency for consumer purposes. In addition, weak logistics infrastructure and irregular customs practices hinder the growth of cross-border eCommerce.

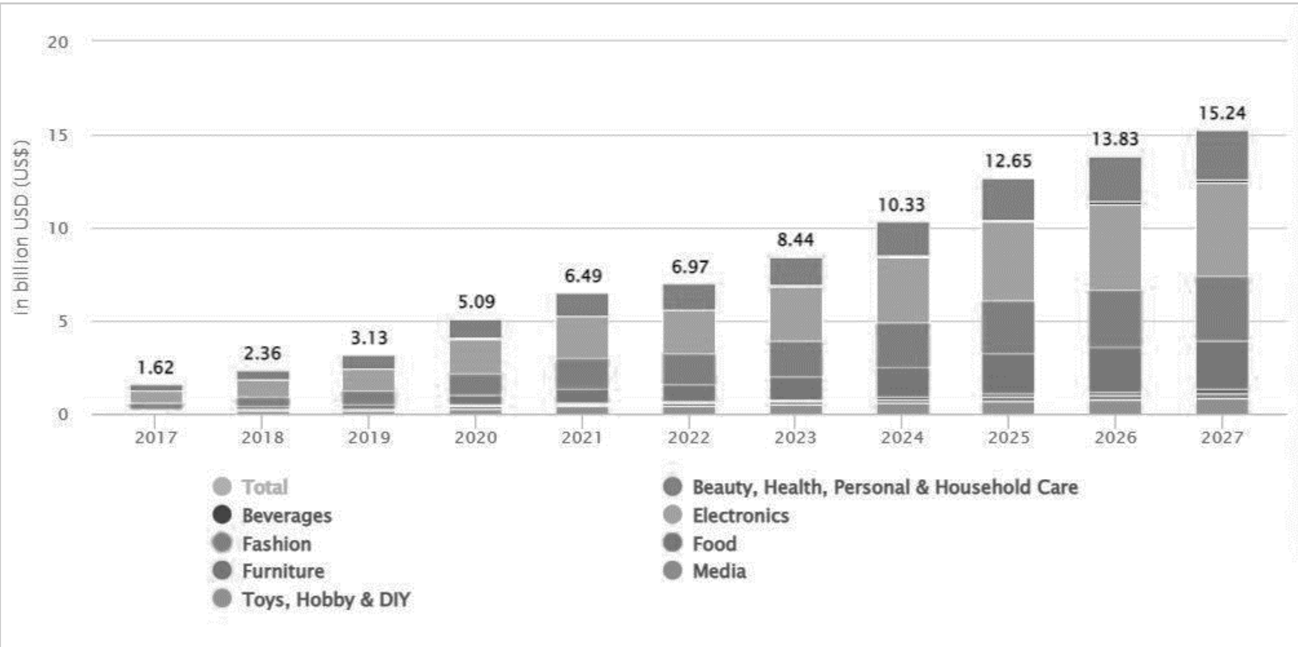
Shoppers trend to buy more in the major religious holidays and cultural festivities like Bengali New Year, Independence Day, and Victory Day. Most eCommerce business portals in Bangladesh have integrated merchant accounts to facilitate credit card transactions. Almost all eCommerce websites also offer multiple other payment methods and still cater to the consumer preferred cash-on-delivery system. Most of the customers prefer to pay in cash on delivery to ensure they are receiving the product promised. Therefore, cash transactions are still the predominant financial transaction method for the majority of the population. This is also because majority of the population do not use or own debit & credit cards. However, they are able to use Mobile Financial Services (MFS).

Payments through MFS grew rapidly following the outbreak of COVID-19 in 2020, as consumers sought to use MFS platforms to comply with social distancing measures. Rise of mobile users and availability of MFS is boosting the ecommerce activities in Bangladesh. As of July 2020, 15 banks are providing mobile financial services (MFS), with 42.78 million active MFS accounts. The total amount of transactions through these accounts raised to BDT 9,900 billion in FY 2022 from BDT 7,596 billion that of FY 2021.

Despite huge prospect and opportunities, Ecommerce in Bangladesh needs to overcome many challenges. Major Challenges to ecommerce in Bangladesh include:

- Inadequate delivery mechanisms.
- A relatively low internet penetration rate.
- The lack of a robust online transaction system.
- Prevalence of online fraud.
- Undeveloped online marketing practices; and
- The lack of a robust privacy policy.

Besides e-commerce, Facebook-based business or F-commerce has also boomed in Bangladesh. F-commerce has been growing steadily since Facebook introduced its ‘Live’ feature. There are more than 5 lakh Facebook-based business pages in the country, of which 2 lakh pages are now actively operating business. Although e-commerce platforms grow at an average rate of 25 percent per year in Bangladesh, the dropout rate of these new entrants is about 35 percent. According to a report by e-Cab, the average basket value of the country’s e-commerce sector is currently BDT 2,200.



In 2020, the average daily transaction volume of e-commerce was BDT 44 crore, which stood at Tk 16,000 crore by the end of the year. According to another report, the market size of e-commerce in Bangladesh was USD 5 billion in 2020. Still, as the sector is growing at a rate of 50 percent per year, the country’s e-commerce market is expected to reach USD 8.5 billion by December 2023. According to a research, Bangladesh will experience around 72% growth a year in the E-commerce industry in the coming years. By 2040, around 95% of all purchases are expected to be via eCommerce.

EXHIBIT – 5

E-mail from Biponi Finance Director

From	**:** Mr. Anawar Zaman FCA, Finance Director, Biponi Limited
To	: Mrs. Farzana Yeasmin, Senior Partner, Senior Partner, FMC
Subject	: Current Reporting and Compliance issues.
Date	: 31 March 2023

Congratulations on your reappointment for the advisory services to the company. I am writing today for your advice on some issues we have been facing. Our current year audit is coming ahead. We have prepared our draft financial statements in **EXHIBIT-3** which will be shared with our auditors. We have come across with issues while preparing the draft financial statements which need to be incorporated in the final financial statements. We need your assistance to make corrections in the final financial statements.

Customer Loyalty Program:
In early 2022, Biponi has introduced B-coin for its customers. Customers earns B-coins based on number of order and order amount. They further receive B-coins when they complete any promotional challenges. Customers can exchange B-coins to redeem vouchers or discounts. Customers can use B-coins to reduce purchase price at 4:1 ratio. No actual cash refund is given to the customers during B-coin redemption. B-coins are accumulated until customers selects redemption option. B-coins expires in 36 months if it is not redeemed.

We are not sure whether these B-coins need to be accounted for in the financial statements as no cash transaction occurs while earning or redeeming the B-coins. At the year-end 969,853,995 B-coins were accumulated by the customers which was not redeemed. Biponi expects that 40% of these B-coins will be redeemed by customers.

Accounting for delivery charge:
Biponi charges a small delivery charge to the customer based on customer location. These delivery charges are applied for arranging a delivery service for the customers. Biponi retains 10% of the delivery charge collected from customers and disburse remaining portion to the delivery partners. 10% is retained because Biponi employees oversee the delivery process and monitors delivery status and conditions. During the year Biponi collected BDT 53,754 million from customers as delivery charge. This amount has been reported as logistics service income. Delivery charge distributed has been reported as Logistics management expenses.

Product Return Liabilities:
Biponi has a return policy under which customers are allowed to return the purchased product but need to initiate the return within 15 days from the delivery of product. It takes further 15 days for customers to receive the return. In first 15 days of December, Biponi experienced 5% of the sales has been returned to the merchants. Biponi expects that the return rate will be same for sales of BDT 23,750 million in remaining 16 days of December 2022. Customers are generally refunded in full for the returned items. However, Biponi charges 2% handling charge to the merchants based on the product cost and adjusted from the amount payable to the merchants. Biponi earned average commission of 8% from the sales of last 16 days of December.

Value Added Tax on Commission:
As per guidelines, ecommerce sites that run on commission business are required to pay 5% VAT on the commission they earn for their service. Merchants themselves are liable for the output VAT. Commission income of BDT 311,987 million reported in the draft financial statement is inclusive of VAT. Of the total VAT amount deposited to government exchequer for BDT 15,000 million which has been recorded as payment of processing fees. Remaining VAT payable remains unpaid at the year end.

Membership Fee:

Biponi offers its merchants to set up online store in exchange of monthly membership fee at ‘Biponi Exclusive’ which is the premium product section in the marketplace. This monthly membership plan is valid for 30 days from the date of payment. During the year Biponi earned BDT 1,294 million as membership fee. This fee has been netted off with payment processing fees.

EXHIBIT – 6

E-Mail from Operations Director of Biponi Limited

From	**:** Mr. Shaheen Alam, Operations Director, Biponi Limited
To	: Mrs. Farzana Yeasmin, Senior Partner, Senior Partner, FMC
Subject	: Strategic investment options and financing alternatives.
Date	: 02 April 2023

Dear Mrs. Yesmin,
Biponi board believes that Biponi is currently in a good position to diversity and expand. Board is currently considering either or both of two strategic options to implement. First option that board is currently considering is to acquire 'Digital Payment Solutions Limited' which owns and operates 'Digipay'. Second option is to acquire 100% shares 'Eagle Delivery Services Limited' to enhance more control over product delivery. We have shared some readily available information below. Board is currently in discussion with both entities and expecting your independent advice on the on evaluation of investment and financing options.

Board requires that, for apprising the investment options, the discount rate be determined considering applying Capital Asset Pricing Model (CAPM). We have been informed that the Bangladesh 10 Years Government Bond has an 8% yield which is considered risk free. The expected beta (β) for Biponi is 1.2. Beta measures the volatility of a security compared to market risk as a whole. The average market return from the ecommerce and online marketplace companies similar to Biponi (comprising of dividend and capital gain yield) is 13% per annum.

Acquisition of Digipay:
Biponi Board has discussed with the board of Digipay. Biponi's board has offered to acquire 100% shares of Digipay in exchange of Shares of Biponi. This means after the acquisition, Digipay's existing shareholders will transfer 100% shareholdings of the company in the name of Biponi Limited in exchange of newly issued shares of Biponi Limited. After the initial discussion, Digipay's board has agreed to move with stock-to-stock acquisition on the share value of Digipay to be determined on the basis of future cash flow. Share exchange ratio will be determined based on the share price of both entities. Biponi's board is interested to know the expected price range of Biponi and Digipay. They are also interested to know what the probable share exchange ratio for Digipay acquisition would be. Biponi's board plans to compare the share price between shares valued based on discounted cash flow method or Net Asset Value method. Digipay management has provided following financial information for 31 December 2022:

Statement of Financial Position

In million BDT

Assets		**Equity & Liabilities**	
Tangible assets	15,590	Share Capital (FV @ 10)	12,250
Intangible assets	3,850	Retained earnings	12,900
Other non-current assets	5,175		**25,150**
Non-current asset	**24,615**	**Total Equity**	
Receivables	6,540	Payables	10,147
Cash & Cash equivalents	4,680	Other current liabilities	2,678
Other financial Assets	2,140		
Current asset	**13,360**	**Current Liabilities**	**12,825**
Total Assets	**37,975**	**Total Equity & Liabilities**	**37,975**

Statement of Profit or Loss

In million BDT

Revenue	31,023
Cost of Revenue	(18,614)
Gross Profit	12,409
Admin Expenses	(4,552)
Profit before tax	**7,857**
Tax @ 30%	(2,357)
Net profit	**5,500**

Information relevant to Digipay and capital market:

Equity in capital	: 100%	Market Return	: 12.17% to 13%
Risk Free Rate	: 8%	Current Market beta	: 1.2
Perpetual growth rate	: 5% (after 2027)		

Digipay

Statement of Free Cash Flows (in million BDT)

Item	**2022 Actual**	**2023 E**	**2024 E**	**2025 E**	**2026 E**	**2027 E**
Earnings Before Interest & Tax	7,857	8,485	9,139	9,585	10,213	10,790
Net Interest Expense / (Income)	-	-	-	-	-	-
Earnings Before Interest	**7,857**	**8,485**	**9,139**	**9,585**	**10,213**	**10,790**
Marginal Tax Rate at 30%	2,357	2,546	2,742	2,876	3,064	3,237
Earnings After Tax	**5,500**	**5,940**	**6,397**	**6,710**	**7,149**	**7,553**
Depreciation	325	340	446	586	769	1,010
Amortization of Intangibles	813	825	953	1,101	1,272	1,469
Change in Net Working Capital	(621)	(655)	(859)	(1,128)	(1,479)	(1,942)
Capital Expenditures	(398)	(414)	(500)	(605)	(730)	(882)
Unlevered Free Cash Flow	**5,619**	**6,036**	**6,437**	**6,664**	**6,981**	**7,208**

Biponi's board needs to know Biponi's own share price in discounted cash flow methods, our accounts team has provided following free cash flow data. Biponi plans to use CAPM to discount cash flows and expects to grow 7% perpetually beyond 2027.

Item	**2022 Actual**	**2023 E**	**2024 E**	**2025 E**	**2026 E**	**2027 E**
Unlevered Free Cash Flow	**77,182**	**84,730**	**89,715**	**101,700**	**111,070**	**119,614**

Acquisition of Eagle:

Board is also considering acquisition of 100% shares of Eagle Delivery Services Limited. Board believes that acquiring Eagle will increase control and monitoring of product delivery and reduce number of complains related to product delivery. In order to finance the acquisition, Board is planning to obtain a secured bank loan. During an initial discussion with Eagle Management, they have shown interest to sell the company for BDT 15,000 million. Board is willing to acquire the company if the NPV is positive and payback period is 7 years of below. Our finance department have prepared following cash flow forecast for next in 10 years and expects to grow perpetually at 4% rate thereafter.

Year	0	1	2	3	4	5	6	7	8	9	10
Investment	(15,000)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)	(750)
Net Profit	-	2,650	2,862	3,091	3,338	3,605	3,894	4,205	4,542	4,905	5,297
Free Cash Flow	(15,000)	1,900	2,112	2,341	2,588	2,855	3,144	3,455	3,792	4,155	4,547

Our regular Bank has offered us to lend the fund at 12% repayable in equal yearly instalment in 10 years. However, 3% delinquent charge will be added with offered rate if any installments become overdue. We believe, this delinquent charge should be considered while evaluating the feasibility of the investment option. You may consider following PV factors for your calculations:

Year / Rate	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
5%	0.9524	0.9070	0.8638	0.8227	0.7835	0.7462	0.7107	0.6768	0.6446	0.6139
6%	0.9434	0.8900	0.8396	0.7921	0.7473	0.7050	0.6651	0.6274	0.5919	0.5584
7%	0.9346	0.8734	0.8163	0.7629	0.7130	0.6663	0.6227	0.5820	0.5439	0.5083
8%	0.9259	0.8573	0.7938	0.7350	0.6806	0.6302	0.5835	0.5403	0.5002	0.4632
9%	0.9174	0.8417	0.7722	0.7084	0.6499	0.5963	0.5470	0.5019	0.4604	0.4224
10%	0.9091	0.8264	0.7513	0.6830	0.6209	0.5645	0.5132	0.4665	0.4241	0.3855
11%	0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	0.3909	0.3522
12%	0.8929	0.7972	0.7118	0.6355	0.5674	0.5066	0.4523	0.4039	0.3606	0.3220
13%	0.8850	0.7831	0.6931	0.6133	0.5428	0.4803	0.4251	0.3762	0.3329	0.2946
14%	0.8772	0.7695	0.6750	0.5921	0.5194	0.4556	0.3996	0.3506	0.3075	0.2697
15%	0.8696	0.7561	0.6575	0.5718	0.4972	0.4323	0.3759	0.3269	0.2843	0.2472

EXHIBIT – 7

Environmental, Health and Ethical Issues in Ecommerce & Online Marketplace Industry

Ecommerce and online marketplace have transformed the way of shopping and doing business. Both customers and sellers adopting this new way. Because of increase in digital footprint and trend of digital business, merchants now prefer to open digital shops instead of physical shops. Many merchants have closed their physical shops or reduced the size of the shop. Many has even closed their warehouse as they do not need to hold inventory at all. Historically, entrepreneurs and businessmen needed to pay a hefty amount from their capital to pay advance and security deposits for the physical location. As a result, cost of starting business was high which prevented many young entrepreneurs staring their business. As the physical presence of business have become optional, it removed a big headache for the new entrepreneurs who plans to start their venture. They can now start business with small amount of capital. People from remote areas and now sell their product throughout the country. In addition, this ecommerce companies have contributed to development of delivery service industry where a large number of people works. This is not only helped reducing unemployment but also contributed significantly to the national GDP.

There is constant threat to digital security of the data collected by these ecommerce companies. These companies collect and holds massive amount of customer data including customer name, national id, photo, phone number, credit/debit card information. Some ecommerce site also collects GPS location of the user through their apps. Ecommerce and online marketplace sites often pay very less focus on protecting these sensitive customer data. As a result, data securities are often breached, and customer data are stolen. As a result, customers face identity theft, financial losses, and social harassment. Ecommerce sites often conceals the data breach in order to avoid trembling customer confidence, legal intervention, and lawsuit.

Even though the sites invest money and efforts to increase sales, many a time sale are ends with customer dissatisfaction and product return. This primarily due to delivering incorrect products or inferior quality products by the merchants. Customers often places order for branded items but receives counterfeit items.

One of the common complains by the customers is that ecommerce and digital marketplace sites often hides the negative feedbacks for their products. Furthermore, many sellers make fake customer account to provide positive feedback to their own product or services. This increases the number positive feedbacks and mislead customers. Very few digital marketplaces have taken steps to stop and remove fake reviews.

Ecommerce sectors employ substantial number of delivery persons to ensure delivery coverage throughout the country. Most of these delivery persons are contractual and receives compensation based on number of successful deliveries. However, the compensation rate is very minimal and are not entitled to receive any health benefit from their employers as they are employed on contract. Employees who work in the warehouse, distribution hubs, delivery points are often forced to work overtime to sort the packages to be delivered accordingly to product destination.

Ecommerce and online marketplace sites ensure that the products that being delivered to the customers are packed with their branded packaging materials. Most of the packaging materials include single use plastic wrappers and polyethene envelopes. These single use plastics and wrappers are very often ended up in the landfill or blocking the drainage system.

Almost all the promotional schemes run by ecommerce sites include conditions which are not known to the customers. Therefore, customers can not avail those promotional schemes. Even if the customers are aware of these conditions, it is difficult to meet all the conditions. Eventually customers are cheated with fake promotional schemes. Very few companies offer straightforward promotional schemes and discloses conditions. There is instance of several ecommerce and digital marketplaces offering products at substantially reduced price if paid upfront. However, once money is collected from the customers, they vanish without delivering the products.

Government has introduced ‘escrow service’ confront these scammers. Under this service, banks and payment gateways will hold the advance money paid by the customers until the products are delivered. However, few ecommerce and digital marketplaces reports fake delivery to collect the money held in the escrow service.

Following the ESG trend, many e-commerce companies is trying to make significant efforts to achieve a Carbon-neutral economy. Leading ecommerce companies have launched climate change manifestos to reduce carbon emissions, transit to electric vehicles, and tackle food waste. Companies also supporting sustainable production of food, by discontinuing plastic bags for reducing the use of plastic each year.

EXHIBIT – 8

News clips regarding ecommerce and online marketplace industry in Bangladesh

Bangladesh e-commerce entities worried over proposed digital commerce law
02 February 2023 on Apparel Resources News-Desk

The proposed digital commerce has given rise to concerns amongst the e-commerce players in Bangladesh, who have expressed concerns, once passed, the law will ultimately choke Bangladesh's emerging online trade instead of enabling its growth potential. They have further added the e-commerce sector of the country is complying with over a dozen laws even as an equal number of Government bodies are also engaged in regulating/supervising the sector and further highlighted that despite so many laws and authorities, it did not help prevent fraudulent schemes by a small number of market players. This clearly the result of lack of enforcement of the regulations.

Bangladesh Bank wants audit into nine online marketplaces
14 September 2021 on Dhaka Tribune

The Bangladesh Bank has asked the government to appoint audit firms to look into the financial statements of nine e-commerce platforms. The ministry had sought information on the total liabilities of the companies to the buyers and merchants, the amount of current and fixed capital of the companies as well as the location of fund transfers and transactions. According to the central bank's recommendation, the audit firms should be investigating the financial statements of the companies as well as any anomalies in product delivery. This recommendation came after identification of fraudulent activities by a major ecommerce and online marketplace.

E-commerce emerges as blessings for rural women
09 Apr 2022 on Bangladesh Sangbad Sangstha

Ummay Salma, a young lady of Kholodanga village under Arabpur Union of Jashore district, has become a successful women entrepreneur by taking facilities of 'Digital Bangladesh'. She is also helping around 50 women of her village by giving those opportunities to work from home. Despite having no showroom, Salma is running her business smoothly through using e-commerce platform. E-commerce have opened the door of opportunity in front of the rural women entrepreneurs as now they can sell their products in fair price easily throughout the country.

Bangladesh e-commerce sales to more than double by 2026: Research
15 Sep 2022 on The Business Standard

The business-to-customer e-commerce market in Bangladesh is expected to grow by 17.61% on an annual basis, aimed at reaching Tk 65,966 crore in 2022, according to a recent market research. The e-commerce market size in 2021 was about Tk56,870 crore and will be around Tk1.5 lakh crore by 2026, said the Dublin-based trade research institution ResearchAndMarkets.com.

Government finalizes initiatives to standardize the e-commerce sector
20 Jan 2022 from Dhaka Tribune

The government has finalized its initiatives to standardize the growing e-commerce sector by incubating an ecosystem that counters unsustainable business models through accountability. In attempts at standardization, the government working through its multiple ministries is set to introduce mandatory Unique Business Identification (UBID) for all e-commerce, f-commerce businesses, a Central Complaint Management System (CCMS), an interoperable transaction platform, as well as a Central Logistics Tracking Platform (CLTP).

Online Data Theft & Security
20 Jan 2023 from nchannel.com

Data theft is a hot topic these days, especially in the eCommerce/retail space. Data breaches happen on a daily basis. There are report that several ecommerce sites in Bangladesh have experienced data breach, but the fact has been concealed by the companies. Customers shares a lot of sensitive information to complete an ecommerce transaction including address, contact information, credit card information etc. Online sellers have a responsibility to their customers. They must ensure that their eCommerce transactions do not result in data theft or security breaches.

------------End------------