

**AUDITORS' REPORT
AND
THE FINANCIAL STATEMENTS
OF
eGeneration Limited**

For the year ended 30th June, 2022

**Independent Auditors' Report
To the Shareholders of
eGeneration Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the Financial Statements of “eGeneration Limited” which comprise the Statement of Financial Position as at June 30, 2022 and Statement of Profit or Loss & 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, in all material respects, of the Financial Position of the company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and informing our opinion thereon, and we do not provide separate opinion on these matters.

Risk	Revenue Recognition
<p>Our response to the risk</p> <p>We identified revenue recognition as key audit matter and a significant risk of material misstatement because of the risk related to the timing and accuracy of the recognized amounts of revenue. The total revenue generated for the year ended was Taka 550,533,951 /-</p> <p>Recognition of revenue is complex due to several types of customer contracts utilized, including sale of software and service sales.</p> <p>There is also a risk that revenue may be overstated /understated due to the timing differences.</p>	<p>➤ Our audit procedures comprised the testing of internal controls in connection with the revenue recognition including the application controls in the most important IT applications impacting the financial reporting. We performed analytical procedures that focused on analyzing the development of turnover. In addition, we performed audit procedures such as compared revenue transactions near year end to the supporting documentation, analyzed general ledger journal entries in order to identify abnormal entries as well as compared trade receivables to the payments received.</p>



<p>We focused on this area as recognition of revenue involves significant judgment and estimates made by management including whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance obligations. This comprises allocation of consideration to the individual performance obligations of multi-element contracts as noted above, assessing whether performance obligations under supply and installation contracts are satisfied at a point in time or over time.</p> <p>Further, it comprises the point in time when transfer of control has occurred regarding sale of software and assessing the degree of completion of project and service contracts, which are accounted for over time.</p>	<ul style="list-style-type: none"> ➤ We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognized, including controls over the degree of completion of developing the software and service contracts at year end. ➤ We read a sample of both project and service contracts to assess whether the method for recognition of revenue was relevant and consistent with IFRS-15 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of controls. Where a contract contained multiple elements, we considered Management's judgments as to whether they comprised performance obligations that should be accounted for separately and in such cases, challenged the judgments made in the allocation of the consideration to each performance obligation. ➤ We evaluated and challenged the significant judgments and estimates made by management in applying the company's accounting policy to a sample specific contracts and separable performance obligations of contracts and we obtained evidence to support including details of contractual agreements, delivery records, receipts and project plans.
---	---

Please see to the Statement of profit or loss & other Comprehensive Income.

Valuation of Inventory

<p>As at June 30,2022the reported amount of inventory is Taka 2,535,615/- held in warehouse.</p> <p>On the reporting date, inventories are carried at the lower of cost and net realizable value. As such, the companies apply judgment in determining the appropriate values of inventory in accordance with International Accounting Standards.</p> <p>Considering the risk as stated above the valuation of Inventory is a key audit matter to the Financial Statements.</p>	<p>We verified the appropriateness of, management's assumptions applied in calculating the value of the inventory as per International Accounting Standards (IASs) by:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory, warehouse. ➤ We have collected inventory count data sheet and relevant certification of inventories which indicates inventory items were maintained in good condition and maintaining all compliances. ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. ➤ Obtaining a detailed review with the subsequent sales to compare with the net realizable value.
---	--

Please see note no. 08 to the Financial Statements



Valuation of Tangible Fixed Assets	
<p>The carrying value of the tangible fixed assets is Tk. 308,693,095/- as at June 30, 2022. The valuation of tangible fixed assets was identified as a key audit matter due to significance of this balance to the Financial Statements.</p> <p>The expenditures are classified as an asset, if it is probable that the future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.</p> <p>The useful lives of tangible fixed assets items are based on management's estimates regarding the period over which an asset is expected to be available for use. The estimates of the useful life of the assets is a matter of judgments based on the experience of the entity with similar assets and also take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured during the year. ➤ We evaluated whether the useful lives determined and applied by the management were in line with the nature of assets, the physical condition of the assets and its uses. ➤ We checked whether the depreciation of tangible fixed assets items was commenced from the date of ready to use and found the depreciation had been started accordingly.
<i>Please see note no. 04 to the Financial Statements</i>	
Long Term Loan & Short Term Loan	
<p>As at June 30, 2022, the reported amount of total Term loan (Long & Current portion) is Taka 53,854,905/- and Short-term Borrowings is Taka 77,096,238/- respectively.</p> <p>The company may face difficulties due to unfavorable movement in interest rate & monetary policy that may result in short-term and cash flow crisis.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure the proper use of loan ➤ We verified sanction letter, loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the Financial Statements accurately. ➤ We checked the financial expenses and classification of loan and repayment schedule on a test basis as well. ➤ We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.
<i>Please see note no. 16, 17 & 19 to the Financial Statements</i>	
Recoverability Assessment of Accounts Receivable	
<p>The total amount of Account Receivable is Taka 223,521,095/- at 30 June 2022. There are significant large numbers of individual customers. Customers in different business segments and jurisdictions are subject to their independent business risk.</p> <p>The increasing challenges over the economy and operating environment in developing the software and sale of service during the year have increased the risks of default on receivables from the customers. In particular, in the event of insolvency of customers, the</p>	<p>Our audit procedures of assess the recoverability of trade receivables including the following:</p> <ul style="list-style-type: none"> ➤ Tested the accuracy of aging of receivables at year end on a sample basis; ➤ Evaluating the Company's policy for making allowance for doubtful debts with reference to the requirements of the prevailing accounting standards; ➤ Assessing the classification of account receivables in the debtors ageing report by comparison with sales invoice and other underlying documentation on a taste basis;



<p>company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>Accordingly, we identified the recoverability of receivables as a key audit matter because of the significance of receivables to company's Financial Position and because of the significant degree of management judgment involved in evaluating the adequacy of the allowance for doubtful debts.</p>	<ul style="list-style-type: none"> ➤ Assessed the recoverability of the debtors on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers and ➤ Inspecting subsequent bank receipts from customers and other relevant underlying documentation relating to account receivable balances at June 30, 2022.
<p><i>Please see note no. 09 to the Financial Statements</i></p>	
<p><i>Evaluation of Intangible Assets</i></p>	
<p>The intangible asset reported in the financial statements is Taka 229,801,562/- which we identified as a key audit matter due to the significance of this balance to the financial statements along with its nature.</p> <p>The tangible assets include the purchased software license, implementation and integration and system development costs related to the software.</p> <p>Periodic impairment testing of these intangible requires determination of recoverable amounts and value in use. Both these values involve significant management's estimates and judgments that can give rise to material misstatements or management bias.</p>	<ul style="list-style-type: none"> ➤ We assessed the processes and controls put in place by the company over the review of intangible assets and its impairment analysis. ➤ We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the recognition of intangible assets, impairment testing including controls over market data inputs into valuation models, model governance and valuation adjustments. ➤ We evaluated the appropriateness of future cash flows that is to be generated from the use of intangible assets. ➤ Overall, we considered the measurement inputs and assumptions used by management to be in line with our expectations and to lie also within a range that we consider reasonable. ➤ Finally assessed the appropriateness and presentation of disclosers against relevant accounting standards.
<p><i>Please see note no. 05 to the Financial Statements</i></p>	
<p><i>Valuation of Investment</i></p>	
<p>As at June 30, 2022 the reported amount of investment is Taka 259,262,213/- on development of several upcoming technologies.</p> <p>Future economic benefits are to come to the company in future. To determine the benefits that are to flow to the company from these investments require significant management's estimate and judgments that can give rise to material misstatements.</p> <p>The valuation of the investment portfolio involves judgment and continues to be an area of inherent risk. The risk is not uniform for all investment types and is greatest for this type of industry, where the investments are hard to value because uncertainties are involved in relation to the future economic benefits to be received.</p>	<ul style="list-style-type: none"> ➤ We assessed the processes and controls put in place by the company over the investment made and whether economic benefits is to flow to the company ➤ We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the recognition of these investments ➤ We evaluate the appropriateness of future cash flows that is to be generated from the investment made. ➤ Overall, we consider the measurement input and assumption used by management to be in line with our expectations and to lie also within a range that we consider reasonable. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p><i>Please see note no. 06 to the Financial Statements</i></p>	



<i>Valuation of Work in progress</i>	
<p>The work-in-progress as at June 30, 2022 was of Taka 449,048,540/- which we considered key audit matter to the financial statements due to its nature.</p> <p>Our audit procedures were designed to focus on the development stages of the software that involves significant judgment and estimates made by Management including, whether contracts contain multiple performance obligations and these are transferred to assets based on those obligations and contracts. It comprises the point in time when transfer of control due to its usable condition has occurred regarding the software and assessing the degree of completion of project and service contracts, which are accounted for over time.</p>	<ul style="list-style-type: none"> ➤ We tested the design and operating effectiveness of the company's controls over the recognition of the work in progress to relevant category of assets that are critical to financial reporting. ➤ We assessed the processes and controls put in place by the company over the work in progress to be transferred as assets and whether economic benefits is to flow to the company at the time of its recognition. ➤ Overall, we consider the measurement inputs and assumptions used by management to be in line with our expectations and to lie also within a range that we consider reasonable. ➤ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations 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. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company.

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 judgment 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 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 event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision and performance of the company audit. We are solely responsible for our audit opinion.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or



regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and The Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Date : 08 October, 2022
Place : Dhaka



Fouzia Haque, FCA
Partner

FAMES & R
Chartered Accountants
DVC # 2210081032AS550861



eGeneration Limited
Statement of Financial Position
As on 30 June, 2022

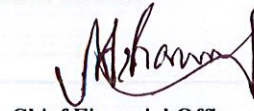
Particulars	Notes	Amount in Taka	
		30/Jun/2022	30/Jun/2021
Assets			
Non-Current Assets		1,246,805,410	1,159,954,500
Property, Plant & Equipment	4	308,693,095	249,285,776
Intangible Assets	5	229,801,562	268,645,291
Investment	6	259,262,213	257,065,833
Work In Progress	7	449,048,540	384,957,599
Current Assets		573,918,394	633,733,778
Inventories	8	2,535,615	3,480,078
Accounts Receivable	9	223,521,095	211,202,782
Advance, Deposits & Prepayments	10	243,110,866	216,649,128
Tender Security & Margin	11	35,902,178	49,550,841
Cash & Cash Equivalents	12	68,848,641	152,850,948
Total Assets		1,820,723,805	1,793,688,278
Shareholders' Equity & Liabilities			
Shareholders' Equity		1,625,313,203	1,564,572,841
Share Capital	13	750,000,000	750,000,000
Share Premium	14	186,182,451	186,182,451
Retained Earnings	15	689,130,752	628,390,390
Non-Current Liabilities		28,312,870	47,239,548
Term Loan (Non-Current Portion)	16	28,312,870	47,239,548
Current Liabilities		167,097,731	181,875,888
Bank Overdraft	17	77,096,238	85,177,536
Liabilities for Expenses	18	29,578,824	28,297,006
Term Loan (Current Portion)	19	25,542,035	27,306,585
Accounts Payable	20	28,713,129	35,373,194
Refund Payable	21	305,363	396,137
Dividend Payable	22	452,340	-
Liability for Workers' Profit Participation Fund	23	5,409,803	5,325,430
Total Shareholders' Equity & Liabilities		1,820,723,805	1,793,688,278
Net Asset Value (NAV) Per Share	32.03	21.67	20.86

The annexed notes form an integral part of the Financial Statements


Managing Director



Independent Director


Company Secretary


Chief Financial Officer

As per our annexed report of same date

Dated: 08 October 2022
Place: Dhaka


FAMES & R
Chartered Accountants
DVC # 2210081032AS550861



eGeneration Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June, 2022


Particulars	Notes	Amount in Taka	
		30/Jun/2022	30/Jun/2021
Revenue	24	550,533,951	475,831,793
Cost of Service & Sales	25	(358,859,791)	(299,782,467)
Gross Profit		191,674,160	176,049,326
Operating Expenses		(81,985,819)	(70,175,476)
General & Administrative Expenses	26	(56,328,342)	(48,686,075)
Selling & Distribution Expenses	27	(8,635,703)	(6,481,925)
Financial Expenses	28	(17,021,775)	(15,007,476)
Profit from Operation		109,688,341	105,873,850
Non-Operating Income	29	3,917,527	5,960,170
Profit before WPPF & Income Tax		113,605,868	111,834,020
<i>Workers' Profit Participation Fund</i>	30	(5,409,803)	(5,325,430)
Profit before Income Tax		108,196,065	106,508,591
Provision for Income Tax	31	(783,505)	(1,206,934)
Profit after Income Tax		107,412,559	105,301,656
Other Comprehensive Income		-	-
Total Comprehensive Income For the Year		107,412,559	105,301,656
Basic Earnings Per Share (EPS)	32.01	1.43	1.61
Restated Earnings Per Share (EPS)	32.02	1.43	1.40

The annexed notes form an integral part of the Financial Statements


Managing Director


Independent Director


Company Secretary


Chief Financial Officer

As per our annexed report of same date

Dated: 08 October 2022
Place: Dhaka


FAMES & R
Chartered Accountants
DVC # 2210081032AS550861



eGeneration Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained Earnings	Total Equity
Opening Balance as on 01 July, 2021	750,000,000	186,182,451	628,390,390	1,564,572,841
Net Profit (after tax) transferred from statement of Profit or Loss & Other Comprehensive Income	-	-	107,412,559	107,412,559
Less: Cash Dividend Paid			(46,672,197)	(46,672,197)
Balance at the end of the year 30 June, 2022	750,000,000	186,182,451	689,130,752	1,625,313,203

eGeneration Limited
Statement of Changes in Equity
For the year ended 30 June, 2021

Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained Earnings	Total Equity
Opening Balance as on 01 July, 2020	600,000,000	186,182,451	540,516,396	1,326,698,847
Issue of new Share	150,000,000	-	-	150,000,000
Net Profit (after tax) during the year	-	-	105,301,656	105,301,656
Less: IPO expense	-	-	(17,427,663)	(17,427,663)
Balance at the end of the year 30 June, 2021	750,000,000	186,182,451	628,390,390	1,564,572,841



Managing Director



Independent Director



Company Secretary



Chief Financial Officer

Place: Dhaka
Dated: 08 October 2022




eGeneration Limited
Statement of Cash Flows
For the year ended 30 June, 2022

Particulars	Notes	Amount in Taka	
		30/Jun/2022	30/Jun/2021
A. Cash Flows from Operating Activities:			
Cash Received from Customers & Others		538,667,481	365,757,500
Cash Paid to Suppliers & Others		(301,207,541)	(204,530,803)
Cash Paid for Operating Expenses		(80,229,620)	(158,555,587)
Paid for Income Tax		(493,470)	(1,037,408)
Net Cash Inflow / (Outflow) from Operating Activities		156,736,850	1,633,702
B. Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(86,656,345)	(1,213,000)
Investment made during the period		(2,196,380)	(3,880,509)
Addition in Work-in-Progress		(64,090,941)	(44,457,442)
Interest Income Received (Net of tax)		3,980,625	5,186,745
Net Cash Inflow / (Outflow) from Investing Activities		(148,963,041)	(44,364,206)
C. Cash Flows from Financing Activities:			
Increase/(Decrease) in Long Term Loan		(20,691,229)	3,179,659
Increase/(Decrease) in Bank Overdraft		(8,081,298)	27,489,618
Proceeds from issues of equity share		-	150,000,000
IPO expense		-	(17,427,663)
Dividend Paid		(46,219,857)	
Increase/(Decrease) Refund Payable		(90,774)	396,137
Cash Paid for Financial Expenses		(17,021,775)	(15,007,476)
Net Cash Inflow / (Outflow) from Financing Activities		(92,104,932)	148,630,275
D. Net Changes in Cash and Cash Equivalents for the period (A+B+C)		(84,331,123)	105,899,771
E. Effects of exchange rate changes on cash and cash-equivalent		328,815	(54,069)
F. Cash and Cash Equivalents at the beginning of the period		152,850,948	47,005,245
G. Cash and Cash Equivalents at the end of the period (D+E+F)		68,848,641	152,850,948
Net Operating Cash Flows Per Share (NOCFPS)	32.04	2.09	0.02


Managing Director


Independent Director


Company Secretary


Chief Financial Officer

Dated: 08 October 2022
Place: Dhaka



eGeneration Limited
A summary of significant accounting policies and other explanatory notes
For the year ended 30 June, 2022

1. Reporting entity:

1.1 Incorporation & Legal Status

eGeneration Limited was incorporated on November 22, 2003 vide certificate of Incorporation no-C-51172(1467)/2003 as a private limited company and converted into a Public Limited Company on July 5, 2017. The registered address of eGeneration Limited is Saimon Center, House-4/A, Road-22, Gulshan-01, Dhaka. The company listed its shares with Dhaka Stock Exchange and Chottagram Stock Exchange in 2021. The company has its registered office and operational office at Ranks Business Center, Ka-218/1, Pragati Sarani, Kuril, Dhaka-1229, Bangladesh

1.2 Nature of business

eGeneration is one of the leading system integration and software solution companies in Bangladesh with a mission to transform Bangladesh into an innovative high-tech nation. In addition to our strong technology and operations team, we have partnered with global companies such as Microsoft, SAP, Dell, UiPath to provide end-to-end digital transformation solutions for businesses and government that includes modern workplace solutions, enterprise resource planning, digital healthcare solutions, cloud services, cybersecurity, big data analytics, artificial intelligence, blockchain, internet of things, robotic process automation, natural language processing and IT consultancy services.

1.3 Capital Structure

eGeneration Ltd. has the following capital structure as on 30.06.2022 :-

Particulars	Taka
Authorised Share Capital	
100,000,000 Ordinary Shares @ Tk. 10 each	1,000,000,000
Issued, Subscribed & Paid up Capital	
75,000,000 Ordinary Shares @ Tk. 10 each	750,000,000

2. Basis of preparation :

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations, applicable to the Company in Bangladesh. The disclosures of the information are made in accordance with the requirements of the Companies Act, 1994 and the Financial Statements have been prepared in accordance with IAS-1, using the accrual basis of accounting. In the preparation of these financial statements, management used available information to make judgments, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates. As required, eGeneration Limited complies with the following major legal provisions and other applicable laws and regulations:

The Companies Act 1994;
The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax and Supplementary Duty Rules, 2016;
International Accounting Standards (IASs);
International Financial Reporting Standards (IFRSs);
Bangladesh Securities & Exchange Ordinance 1969;
Bangladesh Securities & Exchange Rules 1987,
Bangladesh Labor Act, 2006 (Amended upto date);
Bangladesh Labor Rules, 2015 (Amended upto date);
Bangladesh Securities and Exchange (Public Issue) Rules, 2015 (Amended upto date);

2.2 Basis of Measurement

The Financial statements have been prepared on the historical cost basis.



2.3 Functional and presentational currency and level of precision

These financial statements are presented in Bangladeshi Taka which is both functional currency and presentation currency of the Company. The amounts in these financial statements have been rounded off to the nearest integer.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with the International Accounting Standards (IASs) requires management to make estimates and assumption that affect the report, a number of assets & liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue & expenses during the reported period. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long-term contracts, provision for doubtful accounts, depreciation and amortization, employees' benefit plans, taxes reserves and contingencies.

2.5 Reporting period

These Financial Statements of the Company cover the period from the month of July 01, 2021 to June 30, 2022.

2.6 Presentation of Financial Statements

According to the International Accounting Standards – 1 : “Presentation of Financial Statements”, the complete set of Financial Statements includes the following components:

- a. Statement of Financial Position;
- b. Statement of Profit or Loss & Other Comprehensive Income;
- c. Statement of Changes in Equity;
- d. Statement of Cash Flows and
- e. Notes, comprising a summary of significant accounting policies and other explanatory notes.

2.7 Responsibility for preparation and presentation of Financial Statements

The management of the Company is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provision of “The Conceptual Framework for Financial Reporting”.

2.8 Going Concern

As per IAS-1, a Company is required to assess at the end of each year its capability to continue as a going concern. The Company has sufficient resources to continue its operation in the foreseeable future and hence, the financial statements have been prepared on a going concern basis. As per management assessment, there are no material uncertainties related to event or condition which may cast significant doubt upon the Company's ability to continue as a going concern.

3. Significant Accounting Policies

The accounting policies set out below have been applied to the accounts consistently to all periods presented in these financial statements.

Name of International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Complied
Inventories	2	Complied
Statement of Cash Flows	7	Complied
Accounting Policies, Changes in Accounting Estimates and Errors	8	Complied
Events after the Reporting Period	10	Complied
Income Taxes	12	Complied
Property, Plant and Equipment	16	Complied
Accounting for Govt. Grants and Disclosure of Govt. Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Complied
Borrowing Costs	23	Complied
Related Party Disclosures	24	Complied
Accounting & Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	N/A
Investments in Associates	28	N/A
Financial Instruments: Presentation	32	Complied
Earnings Per Share	33	Complied
Interim Financial Reporting	34	Complied



Impairment of Assets	36	Complied
Provisions, Contingent Liabilities and Contingent Assets	37	Complied
Intangible Assets	38	Complied
Investment Property	40	N/A

Name of International Financial Reporting Standards (IFRSs)	IFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Share-Based Payment	2	N/A
Business Combinations	3	N/A
Insurance Contracts	4	N/A
Non- Current Assets Held for Sale and Discontinued Operations	5	N/A
Exploration for and Evaluation of Mineral Resource	6	N/A
Financial Instruments: Disclosures	7	Complied
Operating Segments	8	N/A
Financial Instruments	9	Complied
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Complied
Revenue from Contracts with Customer	15	Complied
Leases	16	N/A

3.1 Property, Plant and Equipment

Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost inclusive of inward freight, duties and non-refundable taxes for bringing the asset to its operating condition for its intended use. Expenditure on repairs and maintenance of Property, Plant and Equipment is treated as an expense when incurred. Subsequent expenditure on Property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

Depreciation

Depreciation on fixed asset is computed using the reducing balance method so as to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant & Equipment the annual depreciation rates applied under which is considered reasonable by the management. Depreciation rates varying from 10% to 30%. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in operations for the period.

The depreciation rates applicable to the principal categories of Fixed Assets are:-

Category of Fixed Assets	Rates %
Furniture & Fixture	10%
Computer & Computer Accessories	30%
Server	25%
Office Equipment	10%
Interior Development	10%
Networking Equipment	20%
Power Equipment	10%
Vehicle	20%
Data Center	10%
Land & Building	2%

Work In Progress represents the cost incurred for acquisition and/or development of assets that were not ready for use at end of the period ended June 30, 2022 and these are stated at cost.



3.2 Intangible assets

The Cost of Intangible Assets is capitalized provided they meet the recognition criteria specified by IAS-38: "Intangible Assets". Capitalization costs include license fees & cost of implementation/system development & integration services which are capitalized during the period in which the relevant assets are ready for use. The cost of an intangible asset comprises of cost & expenditure which are capitalized. On the basis of the future economic benefits embodied in the specific asset to which it relates. The cost of maintenance, upgrading and enhancements are charged off as revenue expenditure unless they bring similar significant additional long-term benefits.

Amortization

Amortization of the intangible asset is recognized on the basis of the expected pattern of consumption of the projected future economic benefits embodied in the asset and is applied during the period. Amortization of intangible assets is charged under reducing balance method.

The amortization rates applicable to the principal categories of Intangible Assets are:-

Category of Intangible Assets	Rates %
Data Analytics	10%
Solution on Microsoft Platform	15%
Networking Solutions	10%
Cyber Security Solution	20%
HR Management System	20%
CRM Software	10%
Fertilizer Recommendation System	20%
Social Media Monitoring	20%
Database Solutions	18%
Digital Platform Development	10%

3.3 Inventories

Inventories are valued at the lower of cost or net realizable value. The cost is assigned following weighted average cost formula. As per IAS 2: "Inventories", Net Realizable Value is determined by deducting estimated cost of completion and cost of sales from the estimated sales of related items.

3.4 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of the statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.5 Contingencies

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with IAS 37: "Provision, Contingent Liabilities and Contingent Assets", there is no contingent liability or asset as on June 30, 2022

3.6 Revenue

The revenue during the period represents revenue arising from the sale of ERP Software, CRM Software, Solutions Developed in Microsoft Platform, Database Solutions, Cyber Security Solution, Data Analytics, HR Management System, Fertilizer Recommendation System, Social media Monitoring, Web Designing & Olympus, AI & Natural Language Processing, Networking Solutions, Data center solution, Hospital Management Information System, Clinics & Diagnostics System, Digital Platform Development which are recognized for each item/service, when i) the contract(s) with a customer is identified, ii) the performance obligations in the contract is identified, iii) the transaction price is determined, iv) the transaction price is allocated to the performance obligations in the contract & v) the revenue is recognised when (or as) the entity satisfies a performance obligation, in compliance with all the conditions for revenue recognition as provided in IFRS 15 : "Revenue from contracts with Customers".



3.7 Taxation

Current Tax

Sixth Schedule, Part A, Para 33 of the Income Tax Ordinance, 1984 states that, “any income derived from the business of software development or Nationwide Telecommunication Transmission Network (NTTN) or Information Technology Enabled Services (ITES) for the period from the first day of July, 2008 to the thirtieth day of June, 2024” will be excluded from total income. eGeneration Limited is a leading management consulting, technology services and outsourcing, ICT solutions provider company in Bangladesh. The major portion of its revenues comes from the distribution of ICT solutions nationwide. For that reason, the income of the Company is exempted from income tax and current tax provision is not created, as prescribed in the above-mentioned clause of the ITO, 1984.

Deferred Tax

Deferred tax is made as per the balance sheet assets/liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax (basis used in the computation of taxable profit). Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences. As per Sixth Schedule, Part A, Para 33 of the Income Tax Ordinance, 1984 Income from Information Technology Enabled Services (ITES) for the period from the first day of July, 2008 to the thirtieth day of June, 2024 will be excluded from Tax. For that reason, Deferred Tax is not applicable.

3.8 Foreign Currency Transactions

Initial recognition

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities are translated into eGeneration Limited’s functional currency at each reporting date. Foreign currency monetary items outstanding at the end of the reporting date are translated using the closing rate. The difference between this amount and the previous carrying amount in functional currency is an exchange gain or loss. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

3.9 Finance Income and Expenses

Finance income comprises interest income which is recognized on accrual basis and shown as non operating income in note number 28. Related Provision for Tax is also created. Finance expenses comprise interest expense on loan, overdraft and bank charges. All borrowing costs are recognized in the statement of comprehensive income.

3.10 Financial assets

Financial assets carried in the statement of financial position include cash and cash equivalents, trade and other receivables, other long-term receivables and deposits.

(a) Cash and Cash Equivalents

According to IAS 7: “Cash Flow Statement”, cash comprises of cash in hand and demand deposit and cash equivalents which are of short term, highly liquid investments that are readily convertible to know amount of cash which are subject to an insignificant risk of changes in value, IAS 1: “Presentations of Financial Statements” also provides that cash equivalents are those which have no restriction in use considering the provision of IAS 7: “Cash Flow Statement” and IAS 1: “Presentations of Financial Statements”. Cash in hand and bank balances have been considered as Cash and Cash Equivalents.

(b) Accounts Receivable

Accounts receivable are created based on original invoice amount and accrued income as per IFRS 15 and IFRS 9. Management has decided to keep provision for bad debt @1% of gross accounts receivable.



3.11 Financial liability

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or canceled or expired. Financial liabilities include trade and other payables and non-current & current liabilities.

(a) Trade Payables

Liabilities are recognized for the amount to be paid in the future for goods and services received, whether or not billed by the supplier.

(b) Loans and Borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of the statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of the statement of financial position, unpaid interest and other charges are classified as current liabilities.

(c) Share Premium

The Share Premium represents the excess amount received by the Company from its Shareholders over the nominal/ par value of its Share. The Amount of Share Premium may be utilised as per provision of Section 57 of The Companies Act, 1994.

3.12 Impairment of Assets

As all assets of the company shown in the financial statement that is within the scope of IAS 36 "Impairment of Assets" are in physical existence and valued no more than their recoverable amount following International Accounting Standards, disclosures with regard to IAS-36: "Impairment of Assets" have been considered wherever necessary.

3.13 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7: "Statement of Cash Flows" shows how the company's cash and cash equivalents changed during the period through inflows and outflows and it has been presented under direct method.

3.14 Earnings Per Share

The Company represents Earnings Per Share (EPS) data for its ordinary shares. With compliance to IAS 33: "Earnings Per Share", EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares or fully allotted shares outstanding during the period. EPS of the previous periods' have been restated to enhance the comparability with the current shareholding position as per "The Conceptual Framework for Financial Reporting".

3.15 Related Party Transactions

The objective of IAS 24: "Related Party Disclosure" is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss and other comprehensive income may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. A party is related to an entity if: [IAS 24.9] directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the entity has an interest in the entity that gives it significant influence over the entity, has joint control over the entity, the party is a member of the key management personnel of the entity or its parent, the party is a close member of the family of any individual, the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual and the party is a post-employment benefit plan for the benefit of employees of the entity. The Company's transaction with related parties are recognized as per IAS 24: "Related Party Disclosures".

3.16 Events after the reporting period

Subsequent events are events after the balance sheet date as defined in IAS 10: "Events after the reporting period". Any material event after balance sheet, adjusting or non-adjusting, are adjusted and disclosed.

3.17 Segment Reporting

No segmental reporting is applicable for the company as required by IFRS-8: "Operating Segments".



3.18 Employee Benefits and Short Term Employee Benefits

Short Term Employee Benefits

Salaries, bonuses and allowances are accrued in the financial period in which the associated services are rendered by the employees of the Company.

Workers Profit Participation Fund

This represents 5% of net profit before tax, contributed by the company as per provisions of the Bangladesh Labor Law, 2006 (Amended 2013).

Defined contribution plans (provident fund)

Defined contribution plan is a post-employment benefit plan. The employees' provident fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees who contribute 8% of their basic salary to the provident fund, the Company also makes an equal contribution to the employees provident fund account. The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. The fund is approved by the National Board of Revenue (NBR) and administered separately by a board of Trustees.

3.19 Comparative Information

Comparative information has been disclosed as required by IAS & IFRS.

Re-arrangement

Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liability as reported in the Financial Statement.

3.20 General

- a. All the figures in the financial statements represent Bangladeshi Taka currency rounded off to the nearest integer.
- b. The comparative information has been disclosed in respect of the period from July 01, 2021 to June 30, 2022 for all numerical information in the financial statements and also the narrative and descriptive information as finding relevant for the understanding of the current period's financial statements.
- c. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged or reclassified whenever considered necessary to conform to current presentation.



		Amount in Taka	
		30/Jun/2022	30/Jun/2021
4.00	Property, Plant & Equipment		
4.01	Asset at Cost		
	Opening balance	393,120,424	391,907,424
	Add:Addition during the period	86,656,345	1,213,000
	Closing balance	479,776,769	393,120,424
4.02	Accumulated Depreciation		
	Opening balance	143,834,648	114,311,713
	Add: Depreciation charged during the period	27,249,026	29,522,935
	Closing balance	171,083,673	143,834,648
		308,693,095	249,285,776
Details of Property, Plant & Equipment are shown in Annexure-A			
5.00	Intangible Assets:		
	Asset at Cost		
	Opening Balance	462,205,439	462,205,439
	Add:Addition during the period	-	-
	Closing balance	462,205,439	462,205,439
5.01	Accumulated Amortization		
	Opening balance	193,560,147	147,328,555
	Add: Amortization charged during the period	38,843,730	46,231,592
	Closing balance	232,403,877	193,560,147
	Written Down Value (WDV)	229,801,562	268,645,291
Details of Intangible Assets are shown in Annexure-B			
6.00	Investment		
	Opening balance	257,065,833	253,185,324
	Add:Addition during the period	2,196,380	3,880,509
		259,262,213	257,065,833
6.01	Investment in Training Content		
	Opening balance	25,934,111	24,990,139
	Add:Addition during the period	-	943,972
		25,934,111	25,934,111
6.02	Investment in Block Chain		
	Opening balance	44,087,874	43,665,662
	Add:Addition during the period	325,000	422,212
		44,412,874	44,087,874
6.03	Investment in IOT Solutions		
	Opening balance	37,036,740	36,633,340
	Add:Addition during the period	66,992	403,400
		37,103,732	37,036,740
6.04	Investment in Digital Platform Development		
	Opening balance	55,471,492	55,006,099
	Add:Addition during the period	-	465,393
		55,471,492	55,471,492
6.05	Investment in Data Center Solutions		
	Opening balance	20,107,772	19,700,000
	Add:Addition during the period	-	407,772
		20,107,772	20,107,772
6.06	Investment in Solutions Developed in Microsoft Platform		
	Opening balance	47,510,760	46,600,000
	Add:Addition during the period	1,804,388	910,760
		49,315,148	47,510,760



	Amount in Taka	
	30/Jun/2022	30/Jun/2021
6.07 Investment in Fertilizer Recommendation Systems		
Opening balance	26,917,084	26,590,084
Add: Addition during the period	-	327,000
	26,917,084	26,917,084
7.00 Work-in-Progress		
Opening balance	384,957,599	340,500,157
Add: Addition during the period (Note-7.01)	64,090,941	44,457,442
Closing Balance	449,048,540	384,957,599
7.01 Addition during the period		
Solutions Developed in Microsoft Platform	37,137,676	-
Hospital Management Information System	12,865,229	32,716,927
Data Analytics	9,959,000	-
Clinics & Diagnostics Management System	4,129,036	11,740,515
Total Addition during the period	64,090,941	44,457,442
8.00 Inventories		
Infrastructure Solutions	675,760	947,885
Cyber Security Solutions	1,359,409	1,707,091
Document Management Solutions	500,446	825,102
	2,535,615	3,480,078
9.00 Account Receivables		
Opening balance	211,202,782	103,433,829
Add: Addition during the period	550,533,951	475,831,793
	761,736,733	579,265,622
Less: Realized during the period	538,667,481	365,757,500
Exchange gain/(loss)	554,721	(171,979)
	223,623,973	213,336,144
Provision for Bad Debt	(102,879)	(2,133,361)
	223,521,095	211,202,782
The Classification Receivables as required by the Schedule XI, Part I, Para 4 of the Companies Act, 1994 are given below:		
Particulars	30-Jun-22	30-Jun-21
Receivables considered good in respect of which is fully secured	-	-
Receivables considered good in respect of which the company holds no security other than the debtor's personal security	223,521,095	211,202,782
Receivables considered doubtful or Bad	102,879	2,133,361
Receivables due by any director or other officers of the company or any of them either severally or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or a member.	-	-
Receivables due by companies under same management		
The Maximum amount of receivables due by any Directors or other Officers at any time during period		
	223,623,973	213,336,144
10.00 Advance, Deposits & Prepayments		
Advance against Office Rent	693,998	456,300
Security Deposit	-	1,530,000
Advance against Salary	857,135	2,214,568
Advance Against Work/Project	143,251,753	118,335,490
Security Deposit(FDR) For Microsoft (Note-10.01)	81,913,643	78,218,465
Security Deposit(FDR) against Loan (Note-10.02)	15,952,045	15,318,000
Advance for Income Tax (Note-10.03)	442,292	576,305
	243,110,866	216,649,128



Amount in Taka	
30/Jun/2022	30/Jun/2021

Disclosure as per Schedule XI, Part 1, Para 6 of the Companies Act, 1994 are given below:

Particulars	30-Jun-22	30-Jun-21
Advance, Deposits & Prepayments considered good in respect of which is fully secured	242,253,731	214,434,560
Advance, Deposit & Prepayments considered good in respect of which the company holds no security	-	-
Advance, Deposits & Prepayments considered doubtful or Bad	-	-
Advance, Deposits & Prepayments due by any director or other officers of the company or any of them either severally or jointly with any other person or Advance, Deposit & Prepayments due by firms or private companies respectively in which any director is a partner or a director or a member	857,135	2,214,568
Advance, Deposits & Prepayments due by companies under same management	-	-
The Maximum amount due by any Directors or others Officers at any time during period	-	-
	243,110,866	216,649,128
10.01 Security Deposit (FDR) for Microsoft		
Opening balance	76,224,708	56,435,476
Addition during the period	1,700,000	16,040,294
Interest reinvested	2,451,819	3,748,938
	80,376,527	76,224,708
Interest accrued	1,537,116	1,993,757
	81,913,643	78,218,465
10.02 Security Deposit (FDR) against Loan		
Opening balance	15,139,500	10,810,000
Addition during the period	-	3,750,000
Interest reinvested	682,793	579,500
	15,822,293	15,139,500
Interest accrued	129,752	178,500
	15,952,045	15,318,000
10.03 Advance for Income Tax		
Opening balance	576,305	311,442
Adjustment during the period	(576,305)	(311,442)
Add: Addition during the period	442,292	576,305
Closing Balance	442,292	576,305
11.00 Tender Security & Margin		
Tender security	29,701,766	29,341,437
Letter of Credit Margin	1,076,361	4,320,604
Performance Guarantee Margin	5,124,051	15,888,800
	35,902,178	49,550,841
12.00 Cash & Cash Equivalents		
Cash in Hand	106,218	142,447
Cash at Bank (Note :-12.01)	68,742,423	152,708,501
	68,848,641	152,850,948
12.01 Cash at Bank		
Premier Bank Ltd. A/C No: 010711100012746	1,833	2,523
Brac Bank A/C No. 1501203555399001	6,039,117	182,934
Brac Bank A/C No. 1501203555399002	55,679	40,000
Brac Bank A/C No. 1501203555399003	16,216,508	84,401,063
Brac Bank A/C No. 1501203555399004	234,671	15,305,789



Brac Bank A/C No. 1501203555399005
Brac Bank A/C No. 1501203555399006
Dutch Bangla Bank A/C No. 1011100043472
Dutch Bangla Bank A/C No. 2461100001747
Standard Bank Ltd. A/C No. 07433000203
Meghna Bank Ltd. A/C No. 110111100000859
Social Islami Bank Ltd. A/C No. 0081330020198
Agrani Bank Ltd. A/C No. 176878
Shimanto Bank Ltd. A/C No. 1001271003010
Trust Bank Ltd. A/C No. 00160210017919
Bank Asia Ltd. A/C No. 61533000346
Prime Bank Ltd. A/C No. 2118111025215
Jamuna Bank Ltd. A/C # 01420210000497
Bank Asia Ltd. A/C # 61536000035
Eastern Bank Ltd. A/C # 1041070506081

Amount in Taka	
30/Jun/2022	30/Jun/2021
19,932	20,000
9,376	34,358
5,009,254	18,669,146
24,120,492	257,006
15,443,946	1,813,194
6,137	7,057
3,160	5,345
2,182	2,987
3,437	1,542
43,872	120,698
262,201	31,829,451
53,404	15,408
3,217	-
455,456	-
758,551	-
68,742,423	152,708,501

13.00 Share Capital

Authorised Share Capital

100,000,000 Ordinary Shares @ Tk. 10 each

Issued, Subscribed & Paid up Capital

75,000,000 Ordinary Shares @ Tk. 10 each

(a) Composition of Shareholdings: as on 30 June 2022

Sponsors and Directors
Institutions
Foreign Investors
General Public

No. of Shares	%
28,327,803	37.77
23,726,197	31.63
340,000	0.45
22,606,000	30.15
75,000,000	100

(b) Share Distribution Schedule of the shares as at 30 June 2022 is given below:

Range of Holding

1 to 500 shares
501 to 5000 shares
5001 to 10000 shares
10001 to 20000 shares
20001 to 30000 shares
30001 to 40000 shares
40001 to 50000 shares
50001 to 100000 shares
100001 to 1000000 shares
1000001 to 2000000 shares
2000001 to 4000000 shares
4000001 to 5000000 shares
5000001 to 10000000 shares
10000001 to above

No. of Shareholders	No. of Shares
2496	683,622
832	1,675,984
167	1,298,175
113	1,678,715
55	1,408,875
32	1,124,649
30	1,493,441
49	4,016,945
45	15,196,198
6	10,704,754
1	3,200,000
1	4,014,082
2	11,470,877
1	17,033,683
3830	75,000,000

Total

14.00 Share Premium

Share Premium

186,182,451	186,182,451
186,182,451	186,182,451



	Amount in Taka	
	30/Jun/2022	30/Jun/2021
15.00 Retained Earnings		
Opening balance	628,390,390	540,516,396
Add: Addition during the period	107,412,559	105,301,656
IPO expenses	-	(17,427,663)
Dividend paid	(46,672,197)	-
	689,130,752	628,390,390
16.00 Term Loan (Non-Current Portion)		
Opening balance	74,546,133	71,366,475
Add: Addition during the period (Note 16.01-16.06)	7,297,399	60,996,670
	81,843,532	132,363,145
Less: Adjustment during the period (Note 16.01-16.06)	27,988,627	57,817,011
	53,854,905	74,546,133
Current portion of the long term loan (Note 16.01-16.06)	(25,542,035)	(27,306,585)
	28,312,870	47,239,548
16.01 Brac Bank Limited		
Opening balance	-	546,200
Add: Addition during the period	-	22,804
	-	569,004
Less: Adjustment during the period	-	569,004
	-	-
16.02 IDLC Finance Limited		
Opening balance	14,164,833	16,765,026
Add: Addition during the period	1,158,042	1,899,504
	15,322,875	18,664,530
Less: Adjustment during the period	8,884,708	4,499,697
	6,438,167	14,164,833
Current portion of the long term loan	(6,438,167)	(8,202,717)
	-	5,962,116
16.03 IDLC Finance Limited		
Opening balance	7,222,384	9,240,647
Add: Addition during the period	1,051,747	672,858
	8,274,131	9,913,504
Less: Adjustment during the period	4,101,361	2,691,120
	4,172,770	7,222,384
Current portion of the long term loan	(4,101,360)	(4,101,360)
	71,410	3,121,024
16.04 IPDC Finance Limited		
Opening balance	-	44,814,602
Add: Addition during the period	-	2,215,723
	-	47,030,326
Less: Adjustment during the period	-	47,030,326
	-	-
Current portion of the long term loan	-	-
	-	-
16.05 Prime Bank Limited		
Opening balance	4,438,882	-
Add: Addition during the period	317,593	5,316,357
	4,756,475	5,316,357
Less: Adjustment during the period	2,106,218	877,475
	2,650,257	4,438,882
Current portion of the long term loan	(2,106,168)	(2,106,168)
	544,089	2,332,714



	Amount in Taka	
	30/Jun/2022	30/Jun/2021
16.06 IPDC Finance Limited		
Opening balance	48,720,035	-
Add: Addition during the period	4,770,016	50,869,425
	53,490,051	50,869,425
Less: Adjustment during the period	12,896,340	2,149,390
	40,593,711	48,720,035
Current portion of the long term loan	(12,896,340)	(12,896,340)
	27,697,371	35,823,695
17.00 Bank Overdraft		
Dutch-Bangla Bank Limited A/C . 246.407.0021	20,367,239	20,461,109
Brac Bank Ltd. A/C 1501203555399008	52,381,044	59,726,797
Prime Bank Ltd. A/C 2198765011124	4,347,955	4,989,629
	77,096,238	85,177,536
18.00 Liabilities for Expenses		
Salary & Allowance	18,385,143	20,497,070
Director's Remuneration	3,346,007	3,204,975
Office Rent	-	585,000
Utility Expense	-	71,784
Other Expenses	4,191,112	-
Audit & Legal Fees	655,416	230,000
VDS Payable	224,372	89,697
TDS Payable	1,290,979	2,411,546
PF contribution payable	565,130	-
Provision for Income Tax (Note. 18.01)	920,665	1,206,934
	29,578,824	28,297,006
18.01 Provision for Income Tax		
Opening balance	1,206,934	1,348,850
Add: Addition during the period	783,505	1,206,934
	1,990,440	2,555,784
Adjustment during the period	(1,069,775)	(1,348,850)
	920,665	1,206,934
Calculation of Income Tax		
Non-Operating Income (Note: 29.00)	3,917,527	5,960,170
Tax @20% (shown in statement of Profit & Loss)	783,505	1,341,038
Less: Rebate@10% on Tax (For IPO Issue)	-	(134,104)
	783,505	1,206,934
19.00 Long Term Loan (Current Portion)	25,542,035	27,306,585
	25,542,035	27,306,585
20.00 Accounts Payable		
Accounts Payable	28,713,129	35,373,194
	28,713,129	35,373,194
21.00 Refund Payable		
Brac Bank A/C No. 1501203555399004	274,671	365,050
Brac Bank A/C No. 1501203555399005	20,080	20,000
Brac Bank A/C No. 1501203555399003	1,086	1,086
Brac Bank A/C No. 1501203555399006	9,526	10,001
	305,363	396,137



		Amount in Taka	
		30/Jun/2022	30/Jun/2021
22.00	Dividend Payable		
	Dividend Payable	452,340	-
		452,340	-
23.00	Liability for Workers' Profit Participation Fund		
	Opening balance	5,325,430	4,725,643
	Add: Addition during the period	5,409,803	5,325,430
		10,735,233	10,051,072
	Payment during the period	(5,325,430)	(4,725,643)
	Liability for Workers' Profit Participation Fund	5,409,803	5,325,430
24.00	Revenue		
	ERP Software	34,182,746	33,489,010
	CRM Software	4,962,623	2,755,845
	Solutions Developed in Microsoft Platform	363,213,442	310,891,630
	Database Solutions	13,155,906	8,736,194
	Cyber Security Solutions	3,485,207	2,379,591
	Data Analytics	4,807,500	3,984,833
	HR Management System	3,962,554	579,626
	Hospital Management Information System	73,571,795	55,295,545
	Clinics & Diagnostics Management System	21,004,475	7,031,000
	Fertilizer Recommendation System	-	261,260
	Social media Monitoring	-	360,000
	Web Designing & Olympus	-	77,700
	AI & Natural Language Processing	2,258,881	8,857,926
	Networking Solutions	2,779,947	2,968,676
	Data Center Solution	11,283,445	-
	Digital Platform Development	11,865,430	38,162,958
		550,533,951	475,831,793
25.00	Cost of Service & Sales		
	Cost of Service (Note: 25.01)	154,775,979	141,238,484
	Cost of Sales (Note: 25.02)	204,083,812	158,543,983
		358,859,791	299,782,467
25.01	Cost of Service		
	Salary & Allowances	82,917,853	64,541,207
	Festival Bonus	8,171,948	3,505,313
	Amortization Expenses (Annexure-B)	38,843,730	46,231,592
	Depreciation Expenses (Annexure-A)	24,524,123	26,570,641
	Mobile & Telephone	17,199	10,000
	Repair & Maintenance	126,250	88,469
	Internet	174,877	291,263
		154,775,979	141,238,484
25.02	Cost of Sales		
	ERP Software	8,596,125	7,194,227
	CRM Software	1,142,725	628,753
	Solutions Developed in Microsoft Platform	137,728,588	106,070,128
	Database Solutions	3,788,255	2,520,369
	Cyber Security Solutions	1,162,394	490,300
	HR Management System	1,260,000	119,888
	Hospital Management Information System	33,804,156	27,580,600
	Clinics & Diagnostics Management System	8,928,000	3,867,050
	Fertilizer Recommendation System	-	68,400



	Amount in Taka	
	30/Jun/2022	30/Jun/2021
Social media Monitoring	-	100,749
Web Designing & Olympus	-	19,124
AI & Natural Language Processing	419,650	2,728,241
Networking Solutions	1,008,875	1,029,923
Data Center Solution	3,687,963	-
Digital Platform Development	2,557,081	6,126,231
	204,083,812	158,543,983
26.00 General & Administrative Expenses		
Salary & Allowance	22,111,427	17,210,989
PF contribution-Company Portion	2,094,964	-
Festival Bonus	2,179,186	934,750
Directors' Remuneration	8,181,774	10,357,500
Board Meeting Attendance Fees	575,010	440,841
Depreciation Expenses (Annexure-A)	2,724,903	2,952,293
Registration & Membership fees	2,142,553	1,904,839
Utility Expense	1,064,232	738,477
Fuel & Lubricant	91,831	-
Office Rent	6,672,247	7,026,000
Repair & Maintenance	555,795	136,127
Conveyance	865,690	697,969
Mobile & Telephone	32,949	12,462
Insurance Premium	158,155	-
Internet	262,315	97,088
Entertainment	2,165,062	1,121,694
Audit Fee	1,185,499	414,000
Miscellaneous Expenses	321,800	180,475
Office Common expenses	1,136,112	823,698
Postage & Stamps	6,550	4,241
Enlisted Expense	86,261	-
Stationery expenses	175,020	106,991
Email & Hosting	2,900	60,887
Publications & Magazine	-	123,570
Consultancy	127,778	190,000
Office Shifting Expense	655,995	-
Car Allowance	796,333	-
Legal Expenses	155,579	499,462
Commission	-	50,000
AGM Expense	357,921	-
Donation & gift	76,705	242,314
Tender Submission expense	146,454	-
Provision for Bad debt	102,879	2,133,361
Exchange rate fluctuation (gain)/loss	(883,536)	226,048
	56,328,342	48,686,075
27.00 Selling & Distribution Expenses		
Salary & Allowance	5,527,857	4,302,747
Festival Bonus	544,797	233,688
Conveyance	288,564	232,656
Training & Seminar Expenses	753,108	867,357
Marketing Expenses	1,164,800	691,229
Business Promotion Expenses	356,577	154,248
	8,635,703	6,481,925



	Amount in Taka	
	30/Jun/2022	30/Jun/2021
28.00 Financial Expenses		
Interest on OD & Term Loan	14,460,546	12,951,188
Bank Charges	2,561,229	2,056,288
	17,021,775	15,007,476
29.00 Non-Operating Income		
Interest on Security Deposit (FDR) for Microsoft	2,270,934	4,360,911
Interest on Bank Accounts	930,014	940,896
Interest on Security Deposit for Loan From IPDC	716,579	658,363
	3,917,527	5,960,170
30.00 Calculation of Workers' Profit Participation Fund		
Profit before WPPF & Income Tax	113,605,868	111,834,020
Provision for Workers' Profit Participation Fund @ 5% on the above amount after charging the contribution (5/105)	5,409,803	5,325,430
31.00 Provision for Income Tax		
Current Tax (Note 31.01)	783,505	1,206,934
	783,505	1,206,934
31.01 Current Tax		
Tax on Non-operating Income (Note 18.01)	783,505	1,206,934
	783,505	1,206,934

As per Sixth Schedule, Part A, Para 33 of the Income Tax Ordinance, 1984 Income from Information Technology Enabled Services (ITES) for the period from the first day of July, 2008 to the thirtieth day of June, 2024 will be excluded from Tax. For that reason, Deferred Tax is not applicable.

32.00 Information Based on Per Share		
32.01 Earnings Per Share (EPS)		
Earning attributable to the ordinary shareholders	107,412,559	105,301,656
Weighted Average Number of ordinary shares at the end of the period	75,000,000	65,301,370
Earnings Per Share (EPS)	1.43	1.61
32.02 Restated Earnings Per Share (EPS)		
Earning attributable to the ordinary shareholders	107,412,559	105,301,656
Weighted Average Number of ordinary shares at the end of the period	75,000,000	75,000,000
Earnings Per Share (EPS)	1.43	1.40
32.03 Net Assets Valus (NAV)		
Total Assets	1,820,723,805	1,793,688,278
Less: Total Liabilities	(195,410,601)	(229,115,436)
Net Assets' Value (NAV)	1,625,313,204	1,564,572,841
Number of ordinary shares outstanding at the end of period	75,000,000	75,000,000
Net Asset Value (NAV) Per Share	21.67	20.86
32.04 Net Operating Cash Flows Per Share (NOCFPS)		
Net Operating Cash Flows (from Statement of Cash Flows)	156,736,850	1,633,702
Number of ordinary shares outstanding at the end of period	75,000,000	75,000,000
Net Operating Cash Flows per share (NOCFPS)	2.09	0.02

*eGeneration Ltd. has collected Taka 53.86 crore from its customer in the year ended June 30, 2022 which was more than Taka 17.29 crore in comparison to previous year. On the other hand, the Company has also paid to its Suppliers & Other operating expenses Taka 38.14 crore which was only 1.84 crore more than the previous year. As a result, net operating cash flows per share increased by 2.07 Taka.



Amount in Taka	
30/Jun/2022	30/Jun/2021

33.00 Other Commitments, Contingencies and Relevant Information:

33.01 Contingencies

There is no contingent event requiring recognition of contingent liabilities for the period ended 30 June, 2022.

33.02 Capital expenditure commitment

There was no capital expenditure commitment or contract for the period ended 30 June, 2022. There

33.03 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June, 2022 other than trade credit available in the ordinary course of business.

33.04 Segment Reporting

As there is a single business and geographic segment within which the company operates, no segment reporting is felt necessary.

33.05 Number of Employees

Number of Employee - Para 3 of Schedule XI, Part II

Salary Range (Monthly)	30-Jun-22	30-Jun-21
Below 15,000	22	24
Above 15,000	103	95
	125	119



33.06 Directors' Remuneration

The Company carried out a number of transactions with related parties in the normal course of business on arm's length basis.

Name	Relationship	Opening Balance	Addition during the year	Paid during the year	Amounts in Taka	
					30/Jun/2022	30/Jun/2021
Shameem Ahsan	MD	1,816,042	5,673,112	5,426,224	2,062,930	1,816,042
SM Ashraful Islam (Nominated by eGeneration Sourcing Limited)	Remuneration before Nominated as Chairman & Board Meeting Fees after appointed as a chairman (Appointment date: 27 Oct 2021)	1,388,933	1,497,225	1,603,081	1,283,077	1,388,933
		3,204,975	7,170,337	7,029,305	3,346,007	3,204,975

33.07 Related Party Disclosures (IAS-24)

The Company carried out a number of transactions with related parties in the normal course of business on arm's length basis.

Name of the Related Party	Relationship	Nature	Opening Balance	Addition during the period	Paid during the period	Amounts in Taka	
						30.06.2022	30.06.2021
SM Ashraful Islam	Chairman	Remuneration before Nominated as Chairman & Board Meeting Fees after appointed as a chairman (Appointment date: 27 Oct 2021)	1,388,933	1,527,225	1,633,082	1,283,077	1,388,933
Shameem Ahsan	Managing Director	Remuneration	1,816,042	5,673,112	5,426,224	2,062,930	1,816,042
Syeda Kamrun Nahar Ahmed	Director	Board Meeting Fees		40,000	40,000	-	
Ariful Hasan	Independent Director			110,000	103,000	7,000	
Md. Eshaque Ali Khondakar, FCA				110,000	110,000	-	
Dr. Md. Musfiqur Rahman, FCMA				90,000	90,000	-	
Dr. Mohammad Shafiul Alam Khan				70,000	70,000	-	
Total			3,204,975	7,620,337	7,472,306	3,353,007	3,204,975

33.08 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method)

Particulars	Note	Amount in Taka	
		30.06.2022	30.06.2021
Net Profit before Tax for the year	P/L	108,196,065	106,508,591
Financial Expenses paid	27.00	17,021,775	15,007,476
Bad debt provision	26.00	102,879	2,133,361
Foreign exchange gain/loss	26.00	(883,536)	226,048
Interest Income	28.00	(3,917,527)	(5,960,170)
Depreciation cost	4.00	27,249,026	29,522,935
Amortization cost	5.00	38,843,730	46,231,592
(Increase)/Decrease in Inventory	8.00	944,463	90,000
(Increase)/Decrease in Accounts Receivable	9.00	(11,866,470)	(110,074,293)
(Increase)/Decrease in Advance, Deposit & Prepayments (Excluding Security Deposits For Microsoft, Loan & Advance for income Tax)	10.00	(27,101,141)	(85,605,366)
(Increase)/Decrease Tender Security & Margin	11.00	13,648,663	(27,456,916)
Increase/(Decrease) in Liabilities for expenses	18.00	1,568,087	9,088,635
Increase/(Decrease) in Accounts Payable	20.00	(6,660,065)	22,359,431
Increase/(Decrease) in Provision for Workers' Profit Participation Fund	22.00	84,374	599,787
Income Tax Paid	18.01	(493,470)	(1,037,408)
Net Cash Inflow / (Outflow) from Operating Activities		156,736,850	1,633,702



eGeneration Limited
Schedule of Property, Plant & Equipments
As at 30 June, 2022

Particulars	Cost			Rate	Depreciation		Written Down Value as at 30.06.2022
	Balance as on 01.07.2021	Addition during the period	Balance as on 30.06.2022		Balance as on 01.07.2021	Charged for the period	
Furniture & Fixture	12,255,557	279,460	12,535,017	10%	5,911,535	638,964	5,984,518
Computer & Computer Accessories	19,299,649	3,416,600	22,716,249	30%	15,571,250	1,810,534	5,334,465
Server	11,769,113	-	11,769,113	25%	9,159,147	652,492	1,957,475
Office Equipment	11,438,326	226,300	11,664,626	10%	7,360,232	411,547	3,892,846
Interior Development	56,485,286	2,728,005	59,213,291	10%	27,360,059	2,934,198	28,919,034
Networking Equipment	3,133,044	-	3,133,044	20%	2,650,528	96,503	386,013
Power Equipment	3,910,130	-	3,910,130	10%	2,376,943	153,319	1,379,869
Vehicle	10,170,000	-	10,170,000	20%	7,354,841	563,032	2,252,127
Data Center	264,659,317	-	264,659,317	10%	66,090,112	19,856,920	178,712,284
Land & Building	-	80,005,980	80,005,980	2.00%	-	131,517	79,874,463
Balance as at 30.06.2022	393,120,424	86,656,345	479,776,769		143,834,648	27,249,026	308,693,095

Allocation of depreciation	Rate(%)	Amounts in Taka
Cost of Service (Note - 25.01)	90%	24,524,123
General & Administrative Expenses (Note-26.00)	10%	2,724,903
	100%	27,249,026



eGeneration Limited
Schedule of Intangible Assets
As at 30 June, 2022

Particulars	Cost			Rate	Amortization			Written Down Value as at 30.06.2022
	Balance as on 01.07.2021	Addition during the period	Balance as on 30.06.22		Balance as on 01.07.2021	Charged for the period	Balance as on 30.06.22	
	Data Analytics	34,589,000	-		34,589,000	10%	1,616,241	
Solution on Microsoft Platform	69,448,190	-	69,448,190	15%	6,881,035	30,455,641	38,992,549	
Networking Solutions	33,649,500	-	33,649,500	10%	2,583,480	10,398,164	23,251,336	
Cyber Security Solution	61,850,297	-	61,850,297	20%	6,681,079	35,125,968	26,724,329	
HR Management System	26,953,202	-	26,953,202	20%	2,791,956	15,785,371	11,167,831	
CRM Software	96,142,455	-	96,142,455	10%	5,790,503	44,027,934	52,114,521	
Fertilizer Recommendation System	46,303,095	-	46,303,095	20%	3,562,920	32,051,411	14,251,684	
Social Media Monitoring	31,208,394	-	31,208,394	20%	2,304,436	21,990,656	9,217,738	
Database Solutions	38,358,572	-	38,358,572	18%	4,534,476	17,701,507	20,657,065	
Digital Platform Development	23,702,734	-	23,702,734	10%	2,097,602	4,824,391	18,878,343	
Balance as at 31.06.2022	462,205,440	-	462,205,439		38,843,730	232,403,877	229,801,562	

