

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

For the year ended June 30, 2023



PrimeGlobal

*An Association of
Independent Accounting Firms*



**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, 2023 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, 2023, 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 584,239,341/-</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>

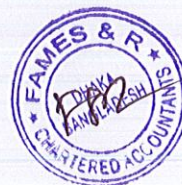
<p>We focused on this area as recognition of revenue involves significant judgment and estimates made by management including whether contracts contain multiple performance obligations which should be accounted for separately and the most appropriate method for recognition of revenue for identified performance 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.
<p><i>Please see to the Statement of profit or loss & other Comprehensive Income.</i></p>	
<p>Valuation of Inventory</p>	
<p>As at June 30,2023 the reported amount of inventory is Taka 4,616,845/-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.
<p><i>Please see note no. 08 to the Financial Statements</i></p>	



Valuation of Tangible Fixed Assets	
<p>The carrying value of the tangible fixed assets is Tk.301,497,389/-as at June 30,2023. 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, 2023, the reported amount of total Term loan (Long & Current portion) is Taka 87,319,208/-and Short-term Borrowings is Taka 127,167,312/- 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 268,021,700/-at30June2023. 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, 2023.
<p>Please see note no. 09 to the Financial Statements</p>	
<p>Evaluation of Intangible Assets</p>	
<p>The intangible asset reported in the financial statements is Taka 197,083,055/- 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>Please see note no. 05 to the Financial Statements</p>	
<p>Valuation of Investment</p>	
<p>As at June 30, 2023 the reported amount of investment is Taka 260,908,098/- 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>Please see note no. 06 to the Financial Statements</p>	



Valuation of Work in progress	
<p>The work-in-progress as at June 30, 2023 was of Taka 530,208,143/- 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.

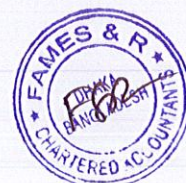
In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially 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



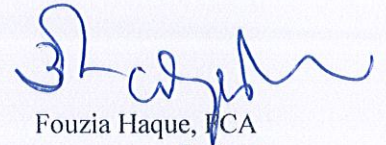
regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 : September 26, 2023
Place : Dhaka



Fouzia Haque, FCA
Partner

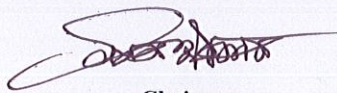
FAMES & R
Chartered Accountants
DVC # 2309271032AS458778



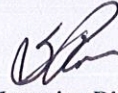
eGeneration Limited
Statement of Financial Position
As on 30 June, 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Assets			
Non-Current Assets		1,289,696,685	1,249,132,610
Property, Plant & Equipment	4.00	301,497,389	311,020,295
Intangible Assets	5.00	197,083,055	229,801,562
Investment	6.00	260,908,098	259,262,213
Work in Progress	7.00	530,208,143	449,048,540
Current Assets		738,140,557	573,918,394
Inventories	8.00	4,616,845	2,535,615
Trade and Other Receivables	9.00	268,021,700	223,521,095
Advance, Deposits & Prepayments	10.00	284,865,254	243,110,866
Tender Security & Margin	11.00	87,583,273	35,902,178
Cash & Cash Equivalents	12.00	93,053,484	68,848,641
Total Assets		2,027,837,242	1,823,051,005
Shareholders' Equity & Liabilities			
Shareholders' Equity		1,687,627,285	1,625,349,711
Share Capital	13.00	750,000,000	750,000,000
Share Premium	14.00	186,182,451	186,182,451
Retained Earnings	15.00	751,444,834	689,167,260
Non-Current Liabilities		18,646,090	28,312,870
Term Loan (Non-Current Portion)	16.00	18,646,090	28,312,870
Current Liabilities		321,563,866	169,388,424
Bank Overdraft	17.00	127,167,312	77,096,238
Liabilities for Expenses	18.00	34,930,307	29,540,491
Term Loan (Current Portion)	19.00	68,673,118	25,542,035
Trade and Other Payables	20.00	84,207,695	31,040,329
Refund Payable	21.00	343,618	305,363
Unclaimed Dividend	22.00	728,427	452,340
Liability for Workers' Profit Participation Fund	23.00	5,513,389	5,411,629
Total Shareholders' Equity & Liabilities		2,027,837,242	1,823,051,005
Net Asset Value (NAV) Per Share	32.02	22.50	21.67

The annexed notes form an integral part of the Financial Statements



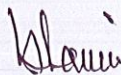
Chairman



Managing Director



Independent Director



Company Secretary



Chief Financial Officer

Signed in terms of our separate report of even date

Dated: September 26, 2023
Place: Dhaka




FAMES & R
Chartered Accountants
DVC # 2309271032AS458778




eGeneration Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June, 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Revenue	24.00	584,239,341	550,533,951
Cost of Service & Sales	25.00	(394,316,870)	(358,859,791)
Gross Profit		189,922,471	191,674,160
Operating Expenses		(80,587,145)	(81,947,486)
General & Administrative Expenses	26.00	(52,170,329)	(56,290,009)
Selling & Distribution Expenses	27.00	(7,831,861)	(8,635,703)
Financial Expenses	28.00	(20,584,955)	(17,021,775)
Profit from Operation		109,335,327	109,726,674
Non-Operating Income	29.00	6,407,511	3,917,527
Profit before WPPF & Income Tax		115,742,838	113,644,201
Workers' Profit Participation Fund	30.00	(5,511,564)	(5,411,629)
Profit before Income Tax		110,231,274	108,232,572
Provision for Income Tax	31.00	(1,281,502)	(783,505)
Profit after Income Tax		108,949,772	107,449,067
Other Comprehensive Income		-	-
Total Comprehensive Income For the Period		108,949,772	107,449,067
Basic Earnings Per Share (EPS)	32.01	1.45	1.43

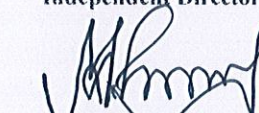
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Chairman


Managing Director

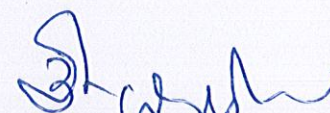

Independent Director

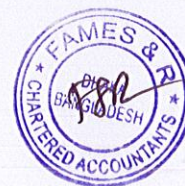

Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date

Dated: September 26, 2023
Place: Dhaka


FAMES & R
Chartered Accountants
DVC # 2309271032AS458778



eGeneration Limited
Statement of Changes in Equity
For the year ended 30 June 2023

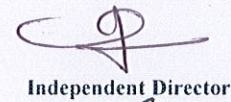
Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained Earnings	Total Equity
Opening Balance as on 01 July, 2022	750,000,000	186,182,451	689,167,260	1,625,349,711
Net Profit (after tax) transferred from statement of Profit or Loss & Other Comprehensive Income	-	-	108,949,772	108,949,772
Less: Cash Dividend Paid			(46,672,197)	(46,672,197)
Balance at the end of the year 30 June, 2023	750,000,000	186,182,451	751,444,834	1,687,627,285

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

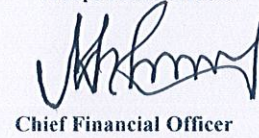
Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained Earnings	Total Equity
Opening Balance as on 01 July, 2021	750,000,000	186,182,451	628,390,390	1,564,572,841
Net Profit (after tax) transferred from statement of Profit or Loss & Other Comprehensive Income		-	107,449,067	107,449,067
Less: 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	689,167,260	1,625,349,711


Chairman


Managing Director


Independent Director


Company Secretary


Chief Financial Officer

Dated: September 26, 2023
Place: Dhaka



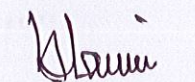
eGeneration Limited
Statement of Cash Flows
For the year ended 30 June, 2023

Particulars	Amount in Taka	
	30-Jun-23	30-Jun-22
Cash Flows from Operating Activities:		
Cash Received from Customers & Others	540,189,772	538,667,481
Cash Paid to Suppliers & Others	(283,823,081)	(298,880,341)
Cash Paid for Operating Expenses	(150,666,890)	(80,229,620)
Paid for Income Tax	-	(493,470)
Net Cash Inflow / (Outflow) from Operating Activities	105,699,801	159,064,050
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(20,131,700)	(88,983,545)
Investment made during the period	(1,645,885)	(2,196,380)
Addition in Work-in-Progress	(81,159,603)	(64,090,941)
Interest Income Received (Net of tax)	4,804,388	3,980,625
Net Cash Inflow / (Outflow) from Investing Activities	(98,132,800)	(151,290,241)
Cash Flows from Financing Activities:		
Increase/(Decrease) in Long Term Loan	33,464,303	(20,691,229)
Increase/(Decrease) in Bank Overdraft	50,071,074	(8,081,298)
Dividend Paid	(46,396,110)	(46,219,857)
Increase/(Decrease) Refund Payable	38,255	(90,774)
Cash Paid for Financial Expenses	(20,584,955)	(17,021,775)
Net Cash Inflow / (Outflow) from Financing Activities	16,592,567	(92,104,932)
Net Changes in Cash and Cash Equivalents for the period	24,159,568	(84,331,122)
Effects of exchange rate changes on cash and cash-equivalent	45,275	328,815
Cash and Cash Equivalents at the beginning of the period	68,848,641	152,850,948
Cash and Cash Equivalents at the end of the period	93,053,484	68,848,641
Net Operating Cash Flows per share (NOCFPS)	1.41	2.12


Chairman


Managing Director


Independent Director


Company Secretary


Chief Financial Officer

Dated: September 26, 2023
Place: Dhaka



eGeneration Limited
A summary of significant accounting policies and other explanatory notes
For the year ended 30 June, 2023

1.00 Reporting entity:

1.01 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 company listed its shares with Dhaka Stock Exchange and Chittagong 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.

1.02 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.

1.03 Capital Structure

eGeneration Ltd. has the following capital structure as on 30.06.2023 :

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

2.00 Basis of preparation:

2.01 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 up to date);
Bangladesh Labor Rules, 2015 (Amended up to date);
Bangladesh Securities and Exchange (Public Issue) Rules, 2015 (Amended up to date).

2.02 Basis of Measurement

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

2.03 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.

2.04 Use of estimates and judgments

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the report, a number of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. 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.

2.05 Reporting period

These Financial Statements of the Company cover the period from the month of July 01, 2022 to June 30, 2023.



2.06 Presentation of Financial Statements

According to the International Accounting Standards (IAS) – 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.

2.07 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” as adopted by the ICAB & FRC.

2.08 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.

3.00 Significant Accounting Policies

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

3.01 Applicable accounting standards

The following IASs/IFRSs are applicable for the financial statements for the period under review:

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	N/A
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	Complied
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



3.02 Property, Plant and Equipment

a) Recognition of Property, Plant & Equipment

These are capitalized at cost or fair value and subsequently stated net of accumulated depreciation in compliance with the 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.

b) 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 2% 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, 2023 and these are stated at cost.

3.03 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%

3.04 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.



3.05 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.

3.06 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 30 June 2023.

3.07 Revenue

The revenue during the period represents revenue arising from the sale of ERP Software, Solutions Developed in Microsoft Platform, Database Solutions, Data Analytics, AI & Natural Language Processing, Data center solution, 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 recognized 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".

3.08 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.

3.09 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

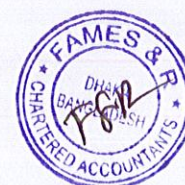
A foreign currency transaction may give rise to assets or liabilities that are denominated in a foreign currency. These assets and liabilities are translated into eGeneration Limited's functional currency at each reporting date. Foreign currency monetary items outstanding at the end of the reporting 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.

3.10 Finance Income and Expenses

Finance income comprises interest income which is recognized on accrual basis and shown as non operating income in note no. 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.

3.11 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.



i) 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.

ii) 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.

3.12 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 utilized as per provision of Section 57 of The Companies Act, 1994.

3.13 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 adopted in Bangladesh, disclosures with regard to IAS-36: "Impairment of Assets" have been considered wherever necessary.

3.14 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.

3.15 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 of for Financial Reporting" as adopted by the ICAB & FRC.

3.16 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.

3.17 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.



3.18 Segment Reporting

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

3.19 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.

Comparative Information

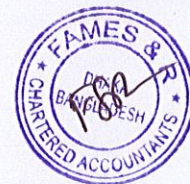
Comparative information has been disclosed as required by IAS & IFRS.

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 Bangladesh Taka currency rounded off to the nearest integer.
- b. The comparative information has been disclosed in respect of the period from July 01, 2022 to June 30, 2023 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-23	30-Jun-22
4.00	Property, Plant & Equipment		
4.01	Asset at Cost		
	Opening balance	482,103,969	393,120,424
	Add: Addition during the period	20,131,700	88,983,545
	Closing balance	502,235,669	482,103,969
4.02	Accumulated Depreciation		
	Opening balance	171,083,673	143,834,648
	Add: Depreciation charged during the period	29,654,606	27,249,026
	Closing balance	200,738,280	171,083,673
		301,497,389	311,020,295
	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	232,403,877	193,560,147
	Add: Amortization charged during the period	32,718,507	38,843,730
	Closing balance	265,122,384	232,403,877
	Written Down Value (WDV)	197,083,055	229,801,562
	Details of Intangible Assets are shown in Annexure-B		
6.00	Investment		
	Opening balance	259,262,213	257,065,833
	Add: Addition during the period	1,645,885	2,196,380
	Closing balance	260,908,098	259,262,213
6.01	Investment in Training Content		
	Opening balance	25,934,111	25,934,111
	Add: Addition during the period	565,000	-
	Closing balance	26,499,111	25,934,111
6.02	Investment in Block Chain		
	Opening balance	44,412,874	44,087,874
	Add: Addition during the period	150,000	325,000
	Closing balance	44,562,874	44,412,874
6.03	Investment in IOT Solutions		
	Opening balance	37,103,732	37,036,740
	Add: Addition during the period	100,000	66,992
	Closing balance	37,203,732	37,103,732
6.04	Investment in Digital Platform Development		
	Opening balance	55,471,492	55,471,492
	Add: Addition during the period	313,500	-
	Closing balance	55,784,992	55,471,492
6.05	Investment in Data Center Solutions		
	Opening balance	20,107,772	20,107,772
	Add: Addition during the period	31,640	-
	Closing balance	20,139,412	20,107,772
6.06	Investment in Solutions Developed in Microsoft Platform		
	Opening balance	49,315,148	47,510,760
	Add: Addition during the period	452,745	1,804,388
	Closing balance	49,767,893	49,315,148
6.07	Investment in Fertilizer Recommendation Systems		
	Opening balance	26,917,084	26,917,084
	Add: Addition during the period	33,000	-
	Closing balance	26,950,084	26,917,084



	Amount in Taka	
	30-Jun-23	30-Jun-22
7.00 Work-in-Progress		
Opening balance	449,048,540	384,957,599
Add: Addition during the period (Note-7.01)	81,159,603	64,090,941
Closing Balance	530,208,143	449,048,540
7.01 Addition during the period:		
Data Center Solutions	7,798,877	-
Solutions Developed in Microsoft Platform ERP Software	16,891,627	37,137,676
Hospital Management Information System	9,209,981	12,865,229
Data Analytics	14,631,001	9,959,000
Clinics & Diagnostics Management System	23,788,117	4,129,036
Total Addition during the period	81,159,603	64,090,941
8.00 Inventories		
Infrastructure Solutions	434,482	675,760
Cyber Security Solutions	1,067,076	1,359,409
Document Management Solutions	3,115,287	500,446
	4,616,845	2,535,615
9.00 Trade and Other Receivables		
Opening balance	223,521,095	211,202,782
Add: Addition during the period	584,239,341	550,533,951
	807,760,436	761,736,733
Less: Realized during the period	540,189,772	538,667,481
Exchange gain/(loss)	922,086	554,721
	268,492,750	223,623,973
Provision for Bad Debt	(471,049)	(102,879)
	268,021,700	223,521,095

The Classification Receivables as required by the Schedule XI, Part1, Para 4 of the Companies Act,1994 are given below:

Particulars	30-Jun-23	30-Jun-22
Receivables considered good in respect of which is fully secured	268,021,700	223,521,095
Receivables considered good in respect of which the company holds no security other than the debtor's personal security	-	-
Receivables considered doubtful or Bad	471,049	102,879
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		
	268,492,750	223,623,973

10.00 Advance, Deposit & Prepayments		
Advance against Office Rent	693,998	693,998
Advance against Salary	418,792	857,135
Advance Against Work/Project	152,886,692	143,251,753
Security Deposit(FDR) For Microsoft (Note-10.01)	98,483,556	81,913,643
Security Deposit(FDR) against Loan (Note-10.02)	30,724,447	15,952,045
Advance for Income Tax (Note-10.03)	1,657,769	442,292
	284,865,254	243,110,866



Amount in Taka	
30-Jun-23	30-Jun-22

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

Particulars	30-Jun-23	30-Jun-22
Advance, Deposit & Prepayments considered good in respect of which is fully secured	284,865,254	243,110,866
Advance, Deposit & Prepayments considered good in respect of which the company holds no security		
Advance, Deposit & Prepayments considered doubtful or Bad		
Advance, Deposit & 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		
Advance, Deposit & Prepayments due by companies under same management		
The Maximum amount due by any Directors or others Officers at any time during period		
	284,865,254	243,110,866

10.01 Security Deposit (FDR) for Microsoft

Opening balance	80,376,527	76,224,708
Addition during the period	12,785,637	1,700,000
Interest reinvested	3,653,164	2,451,819
	96,815,329	80,376,527
Interest accrued	1,668,227	1,537,116
	98,483,556	81,913,643

10.02 Security Deposit (FDR) against Loan

Opening balance	15,822,293	15,139,500
Addition during the period	13,500,000	-
Interest reinvested	1,015,868	682,793
	30,338,161	15,822,293
Interest accrued	386,286	129,752
	30,724,447	15,952,045

10.03 Advance for Income Tax

Opening balance	442,292	576,305
Adjustment during the period	-	(576,305)
Add: Addition during the period	1,215,477	442,292
Closing Balance	1,657,769	442,292

11.00 Tender Security & Margin

Tender security	25,899,440	29,701,766
Letter of Credit Margin	41,773,146	1,076,361
Performance Guarantee Margin	19,910,687	5,124,051
	87,583,273	35,902,178

12.00 Cash & Cash Equivalents

Cash in Hand	70,134	106,218
Cash at Bank (Note :-12.01)	92,983,350	68,742,423
	93,053,484	68,848,641

12.01 Cash at Bank

Premier Bank Ltd. A/C No: 010711100012746	1,143	1,833
Brac Bank A/C No. 1501203555399001	72,267,923	6,039,117
Brac Bank A/C No. 1501203555399002	21,489	55,679
Brac Bank A/C No. 1501203555399003	3,710	16,216,508
Brac Bank A/C No. 1501203555399004	251,407	234,671

Cont.....



	Amount in Taka	
	30-Jun-23	30-Jun-22
Brac Bank A/C No. 1501203555399005	24,410	19,932
Brac Bank A/C No. 1501203555399006	11,417	9,376
Brac Bank A/C No. 2035553990009	8,897,392	-
Dutch Bangla Bank A/C No. 1011100043472	8,596,779	5,009,254
Dutch Bangla Bank A/C No. 2461100001747	95,034	24,120,492
Dutch Bangla Bank A/C No. 1161170001400	353,347	-
Standard Bank Ltd. A/C No. 07433000203	515,188	15,443,946
Standard Bank Ltd. A/C No. 01536000352	818,889	-
Meghna Bank Ltd. A/C No. 110111100000859	1,817	6,137
Social Islami Bank Ltd. A/C No. 0081330020198	1,435	3,160
Agrani Bank Ltd. A/C No. 176878	1,239	2,182
Shimanto Bank Ltd. A/C No. 1001271003010	11,817	3,437
Trust Bank Ltd. A/C No. 00160210017919	43,182	43,872
Bank Asia Ltd. A/C No. 61533000346	218,691	262,201
Prime Bank Ltd. A/C No. 2118111025215	100,114	53,404
Jamuna Bank Ltd. A/C # 01420210000497	2,182	3,217
Bank Asia Ltd. A/C # 61536000035	702,214	455,456
Eastern Bank Ltd. A/C # 1041070506081	42,531	758,551
	92,983,350	68,742,423
13.00 Share Capital		
Authorized Share Capital		
100,000,000 Ordinary Shares @ Tk. 10 each	1,000,000,000	1,000,000,000
Issued, Subscribed & Paid up Capital		
75,000,000 Ordinary Shares @ Tk. 10 each	750,000,000	750,000,000
14.00 Share Premium		
Share Premium	186,182,451	186,182,451
15.00 Retained Earnings		
Opening balance	689,167,260	628,390,390
Add: Addition during the period	108,949,772	107,449,067
Dividend paid	(46,672,197)	(46,672,197)
	751,444,834	689,167,260
16.00 Term Loan (Non-Current Portion)		
Opening balance	53,854,905	74,546,133
Add: Addition during the period	60,392,536	7,297,399
	114,247,441	81,843,532
Less: Adjustment during the period	26,928,233	27,988,627
	87,319,208	53,854,905
Current portion of the long term loan	(68,673,118)	(25,542,035)
	18,646,090	28,312,870
16.01 IDLC Finance Limited		
Opening balance	6,438,167	14,164,833
Add: Addition during the period	1,079,422	1,158,042
	7,517,589	15,322,875
Less: Adjustment during the period	7,517,589	8,884,708
	-	6,438,167
Current portion of the long term loan	-	(6,438,167)
	-	-
16.02 IDLC Finance Limited		
Opening balance	4,172,770	7,222,384
Add: Addition during the period	212,190	1,051,747
	4,384,960	8,274,131
Less: Adjustment during the period	4,384,960	4,101,361
	-	4,172,770
Current portion of the long term loan	-	(4,101,360)
	-	71,410



	Amount in Taka	
	30-Jun-23	30-Jun-22
16.03 Prime Bank Limited		
Opening balance	2,650,257	4,438,882
Add: Addition during the period	171,837	317,593
	<u>2,822,094</u>	<u>4,756,475</u>
Less: Adjustment during the period	2,129,344	2,106,218
	<u>692,750</u>	<u>2,650,257</u>
Current portion of the long term loan	(692,750)	(2,106,168)
	<u>-</u>	<u>544,089</u>
16.04 IPDC Finance Limited		
Opening balance	40,593,711	48,720,035
Add: Addition during the period	3,845,059	4,770,016
	<u>44,438,770</u>	<u>53,490,051</u>
Less: Adjustment during the period	12,896,340	12,896,340
	<u>31,542,430</u>	<u>40,593,711</u>
Current portion of the long term loan	(12,896,340)	(12,896,340)
	<u>18,646,090</u>	<u>27,697,371</u>
16.05 IDLC Finance Limited		
Opening balance	-	-
Disbursement	55,000,000	-
Add: Addition during the period	84,028	-
	<u>55,084,028</u>	<u>-</u>
Less: Adjustment during the period	-	-
	<u>55,084,028</u>	<u>-</u>
Current portion of the long term loan	(55,084,028)	-
	<u>-</u>	<u>-</u>
17.00 Bank Overdraft		
Dutch-Bangla Bank Limited	20,430,000	20,367,239
Brac Bank Limited	60,288,845	52,381,044
IPDC Finance Limited	46,448,467	-
	<u>127,167,312</u>	<u>77,096,238</u>
18.00 Liabilities for Expenses		
Salary & Allowance	11,980,633	18,385,143
Director's Remuneration	410,000	3,346,007
Utility Expense	231,370	-
Other Expenses	371,588	4,191,112
Audit & Legal Fees	501,833	617,083
VDS Payable	806,527	224,372
TDS Payable	3,183,109	1,290,979
PF contribution payable	568,848	565,130
Advance received from customer	14,674,232	-
Provision for Income Tax (Note. 18.01)	2,202,167	920,665
	<u>34,930,307</u>	<u>29,540,491</u>
18.01 Provision for Income Tax		
Opening balance	920,665	1,206,934
Add: Addition during the period	1,281,502	783,505
	<u>2,202,167</u>	<u>1,990,440</u>
Adjustment during the period	-	(1,069,775)
	<u>2,202,167</u>	<u>920,665</u>
Calculation of Income Tax		
Non-Operating Income (Note: 29.00)	6,407,511	3,917,527
Tax @20% (shown in statement of Profit & Loss)	1,281,502	783,505
	<u>1,281,502</u>	<u>783,505</u>
19.00 Long Term Loan (Current Portion)	68,673,118	25,542,035
	<u>68,673,118</u>	<u>25,542,035</u>
20.00 Trade and Other Payables		
Trade and Other Payables	84,207,695	31,040,329
	<u>84,207,695</u>	<u>31,040,329</u>



	Amount in Taka	
	30-Jun-23	30-Jun-22
21.00 Refund Payable		
Brac Bank A/C No. 1501203555399004	306,407	274,671
Brac Bank A/C No. 1501203555399005	24,558	20,080
Brac Bank A/C No. 1501203555399003	1,086	1,086
Brac Bank A/C No. 1501203555399006	11,567	9,526
	343,618	305,363
22.00 Unclaimed Dividend		
Opening Balance	452,340	-
Add: Dividend for the year	46,672,197	46,672,197
	47,124,537	46,672,197
Paid during the period	(46,396,110)	(46,219,857)
	728,427	452,340
In compliance with the clause 3 (vii) of the BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, the summary of the unclaimed dividend is as follows which includes Bank interest and others.		
Unclaimed Dividend year wise breakdown		
Financial Year 2020-21	433,424	433,424
Financial Year 2021-22	237,449	-
Bank Interest	57,554	18,916
Total	728,427	452,340
23.00 Liability for Workers' Profit Participation Fund		
Opening balance	5,411,629	5,325,430
Add: Addition during the period	5,511,564	5,411,629
	10,923,192	10,737,058
Payment during the period	(5,409,803)	(5,325,430)
Liability for Workers' Profit Participation Fund	5,513,389	5,411,629



	Amount in Taka	
	30-Jun-23	30-Jun-22
24.00 Revenue		
ERP Software	23,801,544	34,182,746
CRM Software	-	4,962,623
Solutions Developed in Microsoft Platform	406,244,876	363,213,442
Database Solutions	37,037,340	13,155,906
Cyber Security Solutions	14,997,285	3,485,207
Data Analytics	20,115,373	4,807,500
HR Management System	3,094,744	3,962,554
Hospital Management Information System	-	73,571,795
Clinics & Diagnostics Management System	-	21,004,475
AI & Natural Language Processing	4,094,767	2,258,881
Networking Solutions	-	2,779,947
Data Center Solution	67,268,233	11,283,445
Digital Platform Development	7,585,179	11,865,430
	584,239,341	550,533,951
25.00 Cost of Service & Sales		
Cost of Service (Note: 25.01)	138,113,945	154,775,979
Cost of Sales (Note: 25.02)	256,202,925	204,083,812
	394,316,870	358,859,791
25.01 Cost of Service		
Salary & Allowance	73,093,582	82,917,853
Festival Bonus	5,147,082	8,171,948
Amortization Expenses (Annexure-B)	32,718,507	38,843,730
Depreciation Expenses (Annexure-A)	26,689,146	24,524,123
Mobile & Telephone	11,151	17,199
Repair & Maintenance	277,530	126,250
Internet	176,948	174,877
	138,113,945	154,775,979
25.02 Cost of Sales		
ERP Software	11,890,444	8,596,125
CRM Software	-	1,142,725
Solutions Developed in Microsoft Platform	180,244,743	137,728,588
Database Solutions	15,648,477	3,788,255
Cyber Security Solutions	6,797,993	1,162,394
Data Analytics	5,769,202	-
HR Management System	1,819,812	1,260,000
Hospital Management Information System	-	33,804,156
Clinics & Diagnostics Management System	-	8,928,000
AI & Natural Language Processing	2,413,290	419,650
Networking Solutions	-	1,008,875
Data Center Solution	29,143,141	3,687,963
Digital Platform Development	2,475,823	2,557,081
	256,202,925	204,083,812
26.00 General & Administrative Expenses		
Salary & Allowance	19,491,622	22,111,427
PF contribution-Company Portion	3,709,016	2,094,964
Festival Bonus	1,372,555	2,179,186
Directors' Remuneration	6,500,000	8,181,774
Board Meeting Attendance Fees	498,342	575,010
Depreciation Expenses (Annexure-A)	2,965,461	2,724,903
Registration & Membership fees	2,861,346	2,142,553
Utility Expense	1,988,099	1,064,232
Fuel & Lubricant	184,993	91,831
Office Rent	2,225,990	6,672,247
Repair & Maintenance	427,644	555,795
Conveyance	960,481	865,690
Mobile & Telephone	3,650	32,949
Insurance Premium	52,140	158,155

Cont.....



	Amount in Taka	
	30-Jun-23	30-Jun-22
Internet	265,421	262,315
Entertainment	2,824,802	2,165,062
Audit Fee	770,583	1,147,166
Miscellaneous Expenses	447,268	321,800
Office Common expenses	1,428,232	1,136,112
Postage & Stamps	4,626	6,550
Enlistment Expense	7,058	86,261
Stationery expenses	252,048	175,020
Email & Hosting	33,818	2,900
Consultancy	-	127,778
Car Allowance	1,859,075	796,333
Legal Expenses	266,865	155,579
Tours & Travels	57,958 [*]	-
AGM Expense	376,025	357,921
Donation & gift	34,300	76,705
Tender Submission expense	123,287	146,454
Annual Picnic	503,420	-
Meeting Expenses	170,516	-
Provision for Bad debt	471,049	102,879
Exchange rate fluctuation (gain)/loss	(967,360)	(883,536)
	52,170,329	56,290,009
27.00 Selling & Distribution Expenses		
Salary & Allowance	5,284,482	5,527,857
Festival Bonus	343,139	544,797
Conveyance	320,160	288,564
Training & Seminar Expenses	613,316	753,108
Marketing Expenses	682,655	1,164,800
Business Promotion Expenses	588,108	356,577
	7,831,861	8,635,703
28.00 Financial Expenses		
Interest on OD & Term Loan	15,090,735	14,460,546
Bank Charges	5,494,220	2,561,229
	20,584,955	17,021,775
29.00 Non-Operating Income		
Interest on Security Deposit (FDR)for Microsoft	4,699,331	2,270,934
Interest on Bank Accounts	155,561	930,014
Interest on Security Deposit for Loan From IPDC	1,552,619	716,579
	6,407,511	3,917,527
30.00 Calculation of Workers' Profit Participation Fund		
Profit before WPPF & Income Tax	115,742,838	113,644,201
Provision for Workers' Profit Participation Fund @ 5% on the above amount after charging the contribution (5/105)	5,511,564	5,411,629
31.00 Provision for Income Tax		
Current Tax (Note 31.01)	1,281,502	783,505
	1,281,502	783,505
31.01 Current Tax		
Tax on Non-operating Income (Note 18.01)	1,281,502	783,505
	1,281,502	783,505

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)

	30-Jun-23	30-Jun-22
Earning attributable to the ordinary shareholders	108,949,772	107,449,067
Weighted Average Number of ordinary shares at the end of the period	75,000,000	75,000,000
Earnings Per Share (EPS)	1.45	1.43

32.02 Net Assets Value (NAV)

Total Assets	2,027,837,242	1,823,051,005
Total Liabilities	(340,209,956)	(197,701,294)
Net Assets' Value (NAV)	1,687,627,286	1,625,349,711
Number of ordinary shares outstanding at the end of period	75,000,000	75,000,000
Net Asset Value (NAV) Per Share	22.50	21.67
Net Operating Cash Flows (from Statement of Cash Flows)	105,699,801	159,064,050
Number of ordinary shares outstanding at the end of period	75,000,000	75,000,000
Net Operating Cash Flows per share (NOCFPS) *	1.41	2.12

* NOCFPS decreased due to increasing operating expense caused by advance, deposit & prepayment for operating expense.



32.03 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. (Net of Tax)

Name of the Related Party	Relationship	Nature	Opening Balance	Addition during the period	Paid during the period	Amounts in Taka	
						30.06.2023	30.06.2022
SM Ashrafal Islam	Chairman	Board Meeting Fees	1,283,077	40,000	1,323,077	-	1,283,077
Shameem Ahsan	Managing Director	Remuneration	2,062,930	6,500,000	8,152,930	410,000	2,062,930
Syeda Kamrun Nahar Ahmed	Director	Board Meeting Fees	-	40,000	40,000	-	-
Ariful Hasan			7,000	90,000	97,000	-	7,000
Md. Eshaque Ali Khondakar, FCA	Independent Director		-	90,000	90,000	-	-
Dr. Md. Musfiqur Rahman, FCMA			-	80,000	80,000	-	-
Dr. Mohammad Shafiqul Alam Khan			-	50,000	50,000	-	-
Total			3,353,007	6,890,000	9,833,007	410,000	3,353,007

As per IAS- 24 Para 17:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits		+6,500,000	8,181,774
(b) Post-employee benefits		-	-
(c) Other long term benefits		-	-
(d) Termination benefits and		-	-
(e) Share-based payment		-	-
Total:		6,500,000	8,181,774

As per IAS- 24 Para 18:

Disclosure requirements of IAS 24 Para 18 :

a) the amount of transaction		6,500,000	8,181,774
b) the amount of outstanding balance, including commitments		410,000	3,353,007
i) their terms & condition, including whether they are secured, and the nature of the	Remuneration	Nil	Remuneration
ii) details of any guarantee given or received		Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance		Nil	Nil
d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties.		Nil	Nil

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

Particulars	Note	Amount in Taka	
		30-Jun-23	30-Jun-22
Net Profit before Tax for the period	P/L	110,231,274	108,196,064
Financial Expenses paid	27.00	20,584,955	17,021,775
Bad debt provision	26.00	471,049	102,879
Foreign exchange gain/loss	26.00	(967,360)	(883,536)
Interest Income	28.00	(6,407,511)	(3,917,527)
Depreciation cost	4.00	29,654,606	27,249,026
Amortization cost	5.00	32,718,507	38,843,730
(Increase)/Decrease in Inventory	8.00	(2,081,230)	944,463
(Increase)/Decrease in Accounts Receivable	9.00	(44,049,569)	(11,866,470)
(Increase)/Decrease in Advance, Deposit & Prepayments (Excluding Security Deposit For Microsoft, Loan & Advance for income Tax)	10.00	(40,151,265)	(27,101,141)
(Increase)/Decrease Tender Security & Margin	11.00	(51,681,096)	13,648,663
Increase/(Decrease) in Liabilities for expenses	18.00	4,108,314	1,568,087
Increase/(Decrease) in Accounts Payable	20.00	53,167,366	(4,332,865)
Increase/(Decrease) in Provision for Workers' Profit Participation Fund	22.00	101,761	84,374
Income Tax Paid	18.01	-	(493,470)
Net Cash Inflow / (Outflow) from Operating Activities		105,699,801	159,064,051



eGeneration Limited
Schedule of Property, Plant & Equipment
As at 30 June, 2023

Particulars	Cost			Rate	Depreciation		Written Down Value as at 30.06.2023
	Balance as on 01.07.2022	Addition during the period	Balance as on 30.06.2023		Balance as on 01.07.2022	Charged for the period	
Furniture & Fixture	12,535,017	81,200	12,616,217	10%	603,772	7,154,272	5,461,945
Computer & Computer Accessories	22,716,249	6,794,515	29,510,764	30%	3,104,397	20,486,182	9,024,583
Server	11,769,113	12,202,985	23,972,098	25%	2,369,683	12,181,322	11,790,777
Office Equipment	11,664,626	277,810	11,942,436	10%	7,771,779	8,166,765	3,775,671
Interior Development	59,213,291	410,000	59,623,291	10%	30,294,257	33,226,085	26,397,206
Networking Equipment	3,133,044	365,190	3,498,234	20%	2,747,031	2,893,297	604,938
Power Equipment	3,910,130	-	3,910,130	10%	2,530,261	2,668,248	1,241,882
Vehicle	10,170,000	-	10,170,000	20%	7,917,873	8,368,298	1,801,702
Data Center	264,659,317	-	264,659,317	10%	85,947,033	103,818,261	160,841,056
Building	82,333,180	-	82,333,180	2%	131,517	1,775,550	80,557,630
Balance as at 30 June 2023	482,103,969	20,131,700	502,235,669		171,083,673	200,738,280	301,497,389

Allocation of depreciation	Rate(%)	Amounts in Taka
Cost of Service (Note - 25.01)	90%	26,689,146
General & Administrative Expenses (Note-26.00)	10%	2,965,461
	100%	29,654,606



eGeneration Limited
Schedule of Intangible Assets
As at 30 June, 2023

Annexure-B

Particulars	Cost		Rate	Amortization		Written Down Value as at 30.06.2023
	Balance as on 01.07.2022	Addition during the period		Balance as on 30.06.2023	Charged for the period	
Data Analytics	34,589,000	-	10%	20,042,834	21,497,451	13,091,549
Solution on Microsoft Platform	69,448,190	-	15%	30,455,641	36,304,523	33,143,667
Networking Solutions	33,649,500	-	10%	10,398,164	2,325,134	20,926,202
Cyber Security Solution	61,850,297	-	20%	35,125,968	40,470,834	21,379,463
HR Management System	26,953,202	-	20%	15,785,371	2,233,566	8,934,265
CRM Software	96,142,455	-	10%	44,027,934	5,211,452	46,903,069
Fertilizer Recommendation System	46,303,095	-	20%	32,051,411	2,850,337	11,401,347
Social Media Monitoring	31,208,394	-	20%	21,990,656	1,843,548	7,374,190
Database Solutions	38,358,572	-	18%	17,701,507	3,718,272	16,938,793
Digital Platform Development	23,702,734	-	10%	4,824,391	1,887,834	16,990,509
Balance as at 30 June 2023	462,205,439	-		232,403,877	32,718,507	197,083,055

