



**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

# **Independent Auditors' Report and Financial Statements**

**Nazara Bangladesh Limited**  
45 Bijoy Nagar, Dhaka, Bangladesh

**For the year ended 31 March 2022**



**Auditor:**

**Ahmed Zaker & Co.**

Chartered Accountants

An Independent Member Firm of Geneva Group International (GGi)

Green City Edge (Level - 10), 89, Kakrail, Dhaka-1000, Bangladesh.

Tel: 88-2-8300504-8, Fax : 88-2-8300509

E-mail: [azcbangladesh@ahmed-zaker.com](mailto:azcbangladesh@ahmed-zaker.com) Web: [www.ahmed-zaker.com](http://www.ahmed-zaker.com)

**Contents of the Auditors' Report**  
**For the Period ended March 31, 2022**

Sl. No.	Particulars	Page No.
1.	Independent Auditors' Report	01-03
2.	Statement of Financial Position	04
3.	Statement of Profit or Loss and Other Comprehensive Income	05
4.	Statement of Changes in Equity	06
5.	Statement of Cash Flows	07
6.	Notes to the Financial Statements	08-22





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

**Opinion**

We have audited the financial statements of Nazara Bangladesh Limited Which comprise the Statement of Financial Position as at 31 March 2022 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects of the financial position of the Company as at 31 March 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) where practicable the Companies Act 1994 and other applicable laws and regulations.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the 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) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty over Going Concern**

Without modifying our opinion, we draw attention to Note# 16.00 of the financial statements, Nazara Bangladesh Limited has intercompany liability amounting to BDT. 5.94 Crore against which total asset base is BDT. 4.15 Crore that casts doubts to pay off entire liabilities because the equity base is negative (BDT. 1.78 Crore), as on 31st March 2022. This also indicates significant dependency to the group in case of any contingencies or uncertainties as appropriate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs where practicable the Companies Act 1994 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.

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.





## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained 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 remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicated 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 determined those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined 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.

#### **Other Matter**

Nazara Bangladesh Ltd. has also prepared a separate set of financial statements for the year ended June 30, 2021 in accordance with International Financial Reporting Standards (IFRSs) on which we have issued a separate auditors' report to the shareholders of Nazara Bangladesh Ltd. dated January 10, 2022 as per regulatory requirements.

#### **Report on Other Legal and Regulatory Requirements**

We also report the following:

- 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 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 and Other Comprehensive Income of the Company dealt with by the report are in agreement with the books of account.

Place: Dhaka  
Date: May 5, 2022

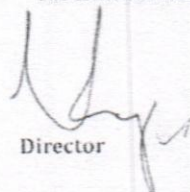
  
**Ahmed Zaker & Co.**  
Chartered Accountants  
**Z A Mridha, FCA**  
(Partner)  
Enrolment No.: 0478



**Nazara Bangladesh Limited**  
**Statement of Financial Position**  
As at March 31, 2022

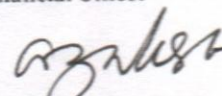
Particulars	Notes	Amount in Taka	
		Mar 31, 2022	Mar 31, 2021
<u>Assets:</u>			
Non-Current Assets		-	-
Current Assets			
Advances, Deposits and Prepayments	7.00	2,453,612	2,227,851
Uninvoiced Customers	8.00	-	-
Sundry Receivables	9.00	904,235	978,066
Investment In FDR	10.00	10,411,492	10,384,433
Cash and Cash Equivalents	11.00	27,812,165	28,031,299
Total Current Assets		41,581,504	41,621,648
Total Assets		41,581,504	41,621,648
<u>Equity &amp; Liabilities:</u>			
Equity			
Share Capital	12.00	100,000	100,000
Share Money Deposit	13.00	387,412	387,412
Retained Earnings	14.00	(18,284,659)	(18,361,867)
Total Equity		(17,797,247)	(17,874,455)
Liabilities			
Non-Current Liabilities		-	-
Current Liabilities			
Liabilities for Expenses	15.00	371,562	163,510
Sundry Payables	16.00	59,007,189	59,332,593
Total Current Liabilities		59,378,751	59,496,103
Total Liabilities		59,378,751	59,496,103
Total Equity and Liabilities		41,581,504	41,621,648

The annexed notes 1 to 23 form an integral part of these financial statements.

  
Director



  
Chief Financial Officer

  
**Ahmed Zaker & Co.**  
Chartered Accountants

Signed as per our audit report

These financial statements have been authorised by the Board of Directors on May 5, 2022  
Location: Dhaka





**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

**Nazara Bangladesh Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 31 March 2022

Particulars	Notes	Amount in Taka	
		Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
General administrative expenses	17.00	418,622	15,585,325
Operating profit/Loss		(418,622)	(15,585,325)
Other Income	18.00	201,091	322,946
Profit before contribution to WPPF and tax		(217,530)	(15,262,379)
Profit/(loss) before tax		(217,530)	(15,262,379)
Provision for Income Tax		-	78,577
Net profit after tax		(217,530)	(15,340,956)
Other Comprehensive Income		-	-
Items that will not be reclassified to profit or loss		-	-
Items that are or may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
Total comprehensive income/(loss) for the period		(217,530)	(15,340,956)

The annexed notes 1 to 23 form an integral part of these financial statements.

Director



Chief Financial Officer

Ahmed Zaker & Co.  
Chartered Accountants

Signed as per our audit report

These financial statements have been authorised by the Board of Directors on May 5, 2022  
Location: Dhaka

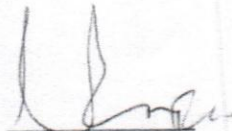


**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

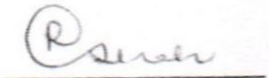
**Nazara Bangladesh Limited**  
**Statement of Changes in Equity**  
For the year ended 31 March 2022

Particulars	Amount in Taka			
	Share Capital	Share money deposit	Retained earnings	Total equity
Balance as at 01 April 2020	100,000	387,412	(18,361,867)	(17,874,455)
Total comprehensive income for the year				
Profit/(loss) for the year	-	-	(217,530)	(217,530)
Excess Provision FY 20-21	-	-	78,577	-
Excess Provision FY 19-20	-	-	216,161	-
Total comprehensive income for the year	-	-	77,208	(217,530)
Total transactions with owners of the Company	-	-	-	-
Balance as at 31 March 2021	100,000	387,412	(18,284,659)	(18,091,986)

The annexed notes 1 to 23 form an integral part of these financial statements.



Director



Chief Financial Officer

These financial statements have been authorised by the Board of Directors on May 5, 2022  
Location: Dhaka





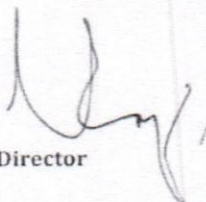


**AHMED ZAKER & Co.**  
CHARTERED ACCOUNTANTS

**Nazara Bangladesh Limited**  
**Statement of Cash Flows**  
For the year ended 31 March 2022

Particulars	Notes	Amount in Taka	
		Mar 31, 2022	Mar 31, 2021
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax for the period		(217,530)	(15,585,325)
<b>Adjustments for:</b>			
Interest Income for FDR		-	322,946
Non-cash expenses -Provision for Income Tax		-	-
<b>Changes in:</b>			
Advances, deposits and prepayments		(225,761)	1,334
Uninvoiced Customers		-	14,317,098
Accrued Income		-	192,695
Sundry Receivables		73,831	1,386,469
Sundry Payables		(325,404)	1,119,105
Liabilities for expenses		208,052	(165,092)
Increases in Provision		294,738	-
<b>Cash Generated from Operations</b>		(192,075)	1,589,229
Income taxes paid		-	(216,161)
<b>Net cash from/(used in) operating activities</b>		<u>(192,075)</u>	<u>1,373,068</u>
<b>Cash flows from investing activities</b>			
Acquisition of other investments		(27,059)	20,048,577
<b>Net cash from/(used in) investing activities</b>		<u>(27,059)</u>	<u>20,048,577</u>
<b>Net cash from/(used in) financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(219,134)</u>	<u>21,421,645</u>
Cash and cash equivalents at the beginning of the period		28,031,299	6,609,654
Cash and cash equivalents at the end of the period		<u>27,812,165</u>	<u>28,031,299</u>

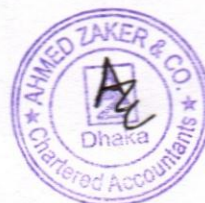
The annexed notes 1 to 23 form an integral part of these financial statements.

  
Director



  
Chief Financial Officer

These financial statements have been authorised by the Board of Directors on May 5, 2022  
Location: Dhaka







**Nazara Bangladesh Limited**  
**Notes to the financial statements**  
for the year ended 31 March 2022

**1. Reporting Entity:**

Nazara Bangladesh Limited (hereinafter referred to as "the Company") is a Private Limited Company incorporated with the Registrar of Joint Stock Companies and Firms of Bangladesh on 24th July 2014 under Companies Act 1994.

**Address of Registered Office:**

The registered office of the Company is situated at 45 Bijoy Nagar, Dhaka, Bangladesh.

**Principal activities of the Company:**

The Company is primarily a distributor of games, imagery, Short Messaging System (SMS) and Interactive Voice Response (IVR) on mobile phones and software/game development.

**2. Going Concern**

The Directors have a reasonable expectation, through internal and external assessment, that the Company has adequate resources to continue in operational existence for the foreseeable future.

**3. Basis of Preparation**

The financial statements have been prepared in accordance with Companies Act 1994 and the International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), where practicable.

The titles of these financial statements follow the requirements of IFRSs which are to some extent different from the requirements of the Companies Act 1994. However, such differences are not material and in the view of management, IFRS titles give better presentation to the users of the financial statements.

The financial statements have been authorised for issue by the Board of Directors of the Company on May 5, 2022. As per regulatory requirements, Income Tax Ordinance (ITO) 1984 & required formalities thereon, the Nazara Bangladesh Ltd. usually maintains the financial year July to June in each year. The details of the Company's accounting policies are included in Note 6.

**4. Functional and Presentation Currency**

These financial statements have been presented in Bangladeshi Taka ("Taka"), which is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the company operates. All amounts have been rounded to the nearest Taka





## 5. Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates is recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements has been included within Note 6 detailing the Company's accounting policies, namely the following:

### Section D - Financial Instruments

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties made in applying accounting policies that have a significant risk of resulting in a material adjustment to the carrying amount of liabilities within the year ending 31 March 2022 have been included within Note 6 detailing the Company's accounting policies.

#### Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Company's shareholders.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.





## 6. Significant accounting policies:

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

Section	Description
A	Revenue
B	Foreign currency
C	Income tax
D	Financial instruments
E	Share capital
F	Impairment
G	Provisions
H	Employee benefits
I	Contingencies

### A. Revenue

Revenue is measured at the invoice value of the consideration received or receivable net of any discounts and recognised when it is probable that the economic benefit associated with the development and distribution of games, imagery, SMS and IVR on mobile phones has been received or likely to be receivable in the future (including accrued income).

### B. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Foreign currency differences are generally recognised in profit or loss.

### C. Income tax

Income tax expenses comprises current and deferred tax. It is recognised in profit and loss except to the extent that relates to an item recognised directly in equity or in other comprehensive income (OCI).

#### Current tax

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the Company is currently 32.5% (unlisted private company) in respect of business as well as other income as per Finance Act.

However, the Company also benefits from various tax incentives as a result of being an Information Technology Enabled Services (ITES) provider. These have been taken into consideration when calculating the income tax liability.





## **Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## **D. Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### **Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

### **Write-off policy**

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.



## Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

For a financial guarantee contract, as the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

## Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified



to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

## **E. Share capital**

### **Ordinary shares**

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognized as a deduction from equity.





## **F. Impairment**

### **i. Non-derivative financial assets**

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- observable data indicating that there is measurable decrease in expected cash flows from a company of financial assets.

### **Financial assets measured at amortized cost**

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by companying together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

### **Available-for-sale financial assets**

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through OCI.

### **ii. Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is





any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are companied together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating units (CGUs).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **G. Provisions**

Provisions are recognized at the reporting date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **H. Employee benefits**

##### **(i) Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### **(ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **I. Contingencies**

Contingencies arising from claims, litigation assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

##### **Contingent liability**

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognized in the financial statements, but may require disclosure. A provision should be recognized in the period in which the recognition criteria of provision have been met.





### **Contingent asset**

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset should not be recognized. Only when the realization of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

### **Reclassifications from previous year**

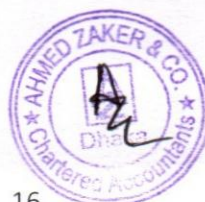
We have made the following reclassification changes from the previous financial year in order to aid the presentation of the financial statements to all the users of the financial statement users. In our opinion, these changes help to show a true and fair view.

### **Sundry receivables and un-invoiced customers**

We have split the balance of sundry receivables and un-invoiced customers on the face of the statement of financial position as these two items represent two different types of balances.

### **Other payables**

We have reclassified the accrued expenses from the previous financial year under other payables in the statement of financial position.





**7.00 Advances, Deposits and Prepayments**

Amount in Taka	
Mar 31, 2022	Mar 31, 2021

Loan & Advances (Asset)  
 Advance VAT  
 Advance Income Tax  
 Duties & Taxes  
**Total**

**7.01**

-	2,208,226
38,426	
2,415,186	
-	19,625
<b>2,453,612</b>	<b>2,227,851</b>

*The advances here relate to Tax Deducted at Source (TDS)*

**7.01 Advance Income Tax**

Advance Income Tax  
 WHT on Sale  
 WHT Others

242,390	-
2,127,653	-
45,143	-
<b>2,415,186</b>	<b>-</b>

**8.00 Uninvoiced Customers**

Robi Axiata Limited  
 Ivas Solution

-	15,919
14,172,359	14,172,359
14,172,359	14,188,278
(14,172,359)	(14,188,278)
<b>-</b>	<b>-</b>

Less: Doubtful Debts  
**Total**

**9.00 Sundry Receivables**

B2M Technologies Limited  
 B2M-Robi Axiata & Airtel  
 Selling Shareholders  
**Total**

-	889,520
904,235	-
-	88,546
<b>904,235</b>	<b>978,066</b>

**10.00 Investment In Fixed Deposit Receipts (FDR)**

91184630004  
 91184630003  
 Accrued Bank Interest  
**Total**

-	-
10,411,391	10,370,864
101	13,569
<b>10,411,492</b>	<b>10,384,433</b>

**11.00 Cash and Cash Equivalents**

Cash at bank (Note 12.01)  
**Total**

27,812,165	28,031,299
<b>27,812,165</b>	<b>28,031,299</b>

**11.01 Cash at bank**

Standard Chartered  
 (A/C: 01184463001)  
**Total**

27,812,165	28,031,299
<b>27,812,165</b>	<b>28,031,299</b>

**12.00 Share Capital**
**Authorised share capital**

Authorised share capital of the company is Taka 10,000,000 divided into 100,000 ordinary shares of Taka 100 each.

**Issued, subscribed & paid up capital**

Issued, subscribed and paid up share capital of the company is Taka 100,000 divided into 1,000 ordinary shares of Taka 100 each.

Issued, subscribed & paid up capital  
**Total**

100,000	100,000
<b>100,000</b>	<b>100,000</b>

Name of Shareholder's	% of Holding	Mar 31, 2022	Mar 31, 2021
Mr. Vikash P. Mittersain	1%	1,000	1,000
Mr. Savio Saldanha	99%	99,000	99,000
<b>Total</b>	<b>100%</b>	<b>100,000</b>	<b>100,000</b>



**13.00 Share Money Deposit**

Nazara Pte Limited  
**Total**

Amount in Taka	
Mar 31, 2022	Mar 31, 2021
387,412	387,412
<b>387,412</b>	<b>387,412</b>

**14.00 Retained Earnings**

Opening balance  
Net profit/(loss) during the year  
Excess Provision FY 20-21  
Excess Provision FY 19-20  
**Closing balance**

(18,361,867)	(3,020,910)
(217,530)	(15,340,956)
78,577	-
216,161	-
<b>(18,284,659)</b>	<b>(18,361,867)</b>

**15.00 Liabilities for Expenses**

Audit fee  
Withholding Tax (AIT) @10%  
Accrued Expenses  
Provision for taxes  
**Total**

64,562	25,000
-	21,600
307,000	38,333
-	78,577
<b>371,562</b>	<b>163,510</b>

**16.00 Sundry payables**

Nazara Technologies, Mauritius  
Ahmed Zaker & Co.  
Zahidul Islam  
**Total**

59,007,189	59,125,705
-	191,888
-	15,000
<b>59,007,189</b>	<b>59,332,593</b>

*All of the balance is payable to a related party entity based in Mauritius.*







Amount in Taka	
Apr 01, 2021 to Mar 31, 2022	Apr 01, 2020 to Mar 31, 2021

**17.00 General administrative expenses**

Audit fees	29,325	97,750
Bank charges	15,751	13,818
Business promotion	-	-
Exchange gain and loss	-	927,216
Professional fees	282,000	328,263
Admin and bussiness service	-	-
Technologies service	-	-
Doubtful Debts	-	14,188,278
Rates & Taxes	91,546	30,000
<b>Total</b>	<b>418,622</b>	<b>15,585,325</b>

**18.00 Other Income**

Interest received	30,056	241,775
Exchange gain and loss	118,516	-
Bad debt Collection	15,919	-
Misc. Income	36,600	-
Others receipt from customer	-	81,171
<b>Total</b>	<b>201,091</b>	<b>322,946</b>







### **23. Financial Instruments – Capital and Risk Management**

The Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

#### *Capital Management*

The Directors consider the capital of the business to be the share capital and reserves of the Company.

#### *Risks*

The Company has exposures to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### *Credit risk*

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other parties.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company has provided appropriate quantitative disclosures with regards to credit risk within Notes 7 to 22 of the financial statements.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.



The Company has provided appropriate quantitative disclosures with regards to liquidity risk within Notes 07 to 22 of the financial statements.

#### *Market risk*

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

- a) *Currency risk/foreign exchange risk*
- b) *Interest rate risk*

The Company has provided appropriate quantitative disclosures with regards to market risk within Notes 07 to 22 of the financial statements.

## **24. . Commitments and contingencies**

### **a. Contingent assets**

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company had no contingent assets at the reporting date.

### **b. Contingent liabilities**

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company had no contingent liabilities at the reporting date.

## **25. Events after the reporting period**

No material events had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements.



## 26.00 Related Parties

During the period ended 31 March 2022, the Company had entered into a number of transactions with related parties in the normal course of business.

All outstanding balances with these related parties have been disclosed below.

### a) Transactions with key management personnel

The Compensation of the Company's key management personnel includes salaries/remuneration. No other types of employee benefits were provided by the company during the financial year.

### b) Parent Company, subsidiaries and other group members as applicable

<u>Name of Related Parties</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Balance outstanding as at</u>		<u>Net transaction values for the</u>	
			<u>in Taka</u>		<u>in Taka</u>	
			<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>	<u>Mar 31, 2022</u>	<u>Mar 31, 2021</u>
Nazara Technologies, Mauritius	Sundry Payable	Trade	59,007,189	59,125,705	-	-
			<u>59,007,189</u>	<u>59,125,705</u>	<u>-</u>	<u>-</u>