

T.HUSSAIN & CO

CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE SHAREHOLDERS.

Introduction:

We have audited the accompanying Statement of Financial Position of **Chain Fintech Solutions Ltd.** as at 30th June, 2020 and the related Statement of Comprehensive Income & Statement of Cash Flow on that date with reference to books of Account and other relevant papers and documents. The preparation of these financial statements is the responsibility of the company's Management. Our responsibility is to express an independent opinion of this financial statement based on our audit.

Scope:

We have conducted our audit in accordance with Bangladesh Standard on Auditing (BSA). Which are consistent in all material respects with Bangladesh Accounting Standard / International Financial Reporting Standards (BAS/IFRS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presented. We believe that our audit provides a reasonable basis for our opinion:

Opinion:

In our opinion, the financial statement prepared in accordance with BAS, gives a true and fair view of the state of the Company's affairs as on 30th June, 2020 the result of its operations for the year then ended and comply with Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations including the Companies Act, 1994.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and make due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from examination of those books; and
- The company's Statement of Financial Position, Statement of Comprehensive Income & Statement of Cash Flow dealt with by this report is in agreement with the books of account.

Dated: The 15th September, 2020



G. Das
T. Hussain & Co.
Chartered Accountants

Chain Fintech Solutions Ltd.
Statement of Financial Position
As at 30 June 2020

Particulars	Notes	Amounts in BDT	Amounts in BDT
		30-Jun-20	30-Jun-19
Assets			
A. Non- current assets			
Property, plant and equipment		-	-
B. Current assets			
Trade receivables	4.00	1,526,346	-
Advances, deposits and prepayments	5.00	528,509	30,509
Cash and cash equivalents	6.00	147,864	5,094
		2,202,719	35,603
Total assets (A+B)		2,202,719	35,603
Shareholders equity and liabilities			
C. Shareholders' equity			
Share capital	7.00	100,000	100,000
Retained earnings	8.00	151,986	(424,461)
		251,986	(324,461)
D. Current liabilities and provision			
Provision for tax liabilities	9.00	-	4,009
Loan from directors	10.00	212,456	130,160
Liabilities for expenses	11.00	1,738,277	225,896
		1,950,733	360,065
Total shareholder's equity and liabilities (C+D)		2,202,719	35,603

The accompanying notes are the integral part of Statement of Financial Position

G. v. Uddani
Chairman

Speshay
Managing Director

Signed in terms of our annexed report of even date

Place: Dhaka
Dated: 15th September, 2020



G. v. Uddani
T.Hussain & Co.
Chartered Accountants

Chain Fintech Solutions Ltd.
Statement of Comprehensive Income
For the Year Ended 30 June 2020

Particulars	Notes	Amounts in BDT	Amounts in BDT
		30-Jun-20	30-Jun-19
Revenue	12.00	2,912,184	560,817
Less: Cost of service	13.00	78,500	284,277
Gross profit		2,833,684	276,540
Less: Administrative & operating expenses	14.00	2,306,846	534,995
Operating profit or (loss)		526,838	(258,455)
Less: Financial expenses		-	-
Net profit or (loss) before tax		526,838	(258,455)
Less: Income tax expenses		-	3,365
Net profit or (loss) after tax		526,838	(261,820)

The accompanying notes are the integral part of these Statement of Comprehensive Income

G. V. Uddani
Chairman

T. Hussain
Managing Director

Signed in terms of our annexed report of even date

Place: Dhaka
Dated: 15th September, 2020



G. V. Uddani
T.Hussain & Co.
Chartered Accountants

Chain Fintech Solutions Ltd.
Statement of Changes in Equity
For the Year Ended 30 June 2020

Particulars	Share Capital	Share Money Deposit	Retaind Earnings	Total
Balance as on 01-Jul-2019	100,000	-	(424,461)	(324,461)
New issue	-	-	-	-
Net profit/ (loss) during the year	-	-	526,838	526,838
Less.dividend	-	-	-	-
Add: Reversal of provision of tax from last year	-	-	4,009	-
Add: Reversal of VAT payable from last year	-	-	45,600	-
Balance as on 30-Jun-2020	100,000	-	151,986	202,377

Chain Fintech Solutions Ltd.
Statement of Changes in Equity
For the Year Ended 30 June 2019

Particulars	Share Capital	Share Money Deposit	Retaind Earnings	Total
Balance as on 01-Jul-2018	100,000	-	(162,642)	(62,642)
New issue	-	-	-	-
Net profit/ (loss) during the year	-	-	(261,820)	(261,820)
Less.dividend	-	-	-	-
Balance as on 30-Jun-2019	100,000	-	(424,461)	(324,461)

G. V. Uddani

Chairman

T. Hussain

Managing Director



Chain Fintech Solutions Ltd.
Statement of Cash Flows
For the Year Ended 30 June 2020

Particulars	Amounts in BDT	Amounts in BDT
	30-Jun-20	30-Jun-19
Cash flow from operating activities:		
Net profit or (loss) after tax	526,838	(261,820)
Add: Amount consider as non cash item		
Depreciation and Amortization	-	-
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Trade Receivable	(1,526,346)	-
(Increase)/Decrease in Advance, Deposits and Prepayments	(498,000)	-
Increase/(Decrease) in Provision for tax liabilities	(4,009)	3,365
Increase/(Decrease) in Loan from directors	160,796	-
Increase/(Decrease) Previous year Adjustemnt for Tax	49,609	-
Increase/(Decrease) in liabilities for expenses	1,433,881	87,708
Cash flows from operating activities (A)	142,769	(170,747)
Cash flow from investing activities :		
Acquisition of tangible asset	-	-
Aquisition of intangible asset	-	-
Cash flow from investing activities (B)	-	-
Cash flow from financing activities:		
Paid Up Capital Increase	-	-
Cash flow from financing activities (C)	-	-
Net cash flows (A+B+C)	142,769	(170,747)
Cash and Cash equivalents at beginning of the year	5,094	175,841
Cash and Cash equivalents at end of the year	147,864	5,094

G.V. Udani

Chairman

Ipshail

Managing Director



Chain Fintech Solutions Ltd.
Notes to the financial statements
For the Year Ended 30 June 2020

1.00 Reporting entity

1.1 Company profile

Chain Fintech Solutions Ltd. (the 'Company') was formed and incorporated with the Registrar of Joint Stock Companies and Firms, Bangladesh on 1 February 2018 under the Companies Act 1994 as a private limited company limited by shares vide the certificate no: C-142873/2018.

1.2 Nature of business

The main objective of the company is to design, develop, sell, market & distribute digital financial service and products. To carry out business of information technology, import and export information technology and hardware, software related products and services provide smart cards solutions, payment solutions and security solutions.

2.00 Basis of preparation

2.1 Statement of compliance

The 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.

The following IASs & IFRSs are applicable for the financial statements for the year under review:

IAS - 1	Presentation of Financial Statements
IAS - 7	Statement of Cash Flows
IAS - 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS - 12	Income Taxes
IFRS - 15	Revenue
IAS - 33	Earnings Per Share
IAS - 39	Financial Instruments: Recognition and Measurement
IFRS- 9	Financial Instruments: Recognition and Measurement
IFRS- 13	Fair Value Measurement

2.2 Components of Financial Statements :

The financial statements are prepared and presented for internal and external users only by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirement of IAS-1 "Presentation of Financial Statements". The financial statements comprise of :

- (i) Statement of Financial Position.
- (ii) Statement of Comprehensive Income.
- (iii) Statement of Changes in Equity.
- (iv) Statement of Cash Flows.
- (v) Notes, comprising summary of significant accounting policies and explanatory information.



2.3 Other regulatory compliances

The company is required to comply with the following major laws and regulations along with the Companies Act 1994:

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax and Supplementary Duty Act, 2012

2.4 Statement of cash flows :

Statement of cash flows has been prepared as per IAS-7: cash flow statement using Indirect Method.

2.5 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention.

2.6 Reporting period

The financial year of the company covers the period from 1 July 2019 to 30 June 2020.

2.7 Functional and presentation currency and level of precision

The financial statements are presented in Bangladeshi Taka (Taka/Tk/BDT), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka unless otherwise indicated.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

2.9 Going concern :

The company has adequate resources to continue its operation for foreseeable future. For this reason the management continue to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the company provide sufficient fund to meet the present requirements of existing business and operation.



3.00 Significant accounting policies

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

3.1.2 Subsequent costs

3.1.3 Depreciation

3.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank which are held by the branch office without any restriction.

3.3 Advances, deposits and prepayments

Advances, deposits and prepayment represent the deposit paid to landlord on business premises, Advance for purchase of asset, advance corporate tax for prior and current year which was paid in advance being deducted from revenue.

3.4 Provisions

A provision is recognized on the statement of financial position 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.

3.5 Accounts payables

Accounts payables consist of unpaid invoices payable to suppliers of services and are classified as current liabilities unless the Head office has an unconditional right to defer settlement of the liability for at least Thirteen months from the statement of financial position date.

3.6 Foreign currency transaction/translation

Transactions denominated in foreign currency have been translated in Bangladesh Taka at the exchange rates prevailing on the dates of such transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into Bangladesh Taka at prevailing rates ruling at the financial position date. Non-monetary assets and liabilities are reported using the exchange rates at the dates of respective transactions.

Foreign exchange fluctuation gains/losses are reflected in the statement of profit or loss and other comprehensive income.



3.7 Provision for taxation

Provision for the Income Tax has been made as per The Income Tax Ordinance, 1984 as amended up to Finance Act 2020.

Income tax is calculated and provision is made in accordance with IAS-12. The corporate tax rate for the company is 32.5% & 20% on investment income (Dividend Income) if the company makes profit but if they makes loss than .60% on total receipt. Provision has been made and calculated on the above basis, which is adequate under Income Tax Ordinance, 1984.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or to be received. Revenue is recognized at the time of invoice made for the services rendered by the company. Other income is recognized on accrual basis as per International Accounting Standards (IASs).

3.9 Events after reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the statement of accounts. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.10 General

- i) All financial information presented in Taka have been rounded off to the nearest integer;



Chain Fintech Solutions Ltd.
Statement of Comprehensive Income
For the Year Ended 30 June 2020

Particulars	Amounts in BDT 30-Jun-20	Amounts in BDT 30-Jun-19
Property, plant and equipment		
A. Cost		
Opening balance	-	-
Add : addition during the year	-	-
	-	-
Less : disposal during the year	-	-
Total (A)	-	-
B. Accumulated depreciation		
Opening balance	-	-
Add : charged during the year	-	-
	-	-
Less : adjustment for disposal during the year	-	-
Total (B)	-	-
C. Carrying amount (A-B)	-	-

A separate schedule of property, plant and equipment is given in Annexure-A.

4.00 Trade receivables

Opening balance	-	-
Addition during the year	1,526,346	-
Total balance	1,526,346	-
Received during the year	-	-
Closing balance	1,526,346	-

5.00 Advances, deposits and prepayments

AIT	14,509	11,509
Office rent	34,000	19,000
House rent	480,000	-
Total	528,509	30,509

5.1 Advance Income Tax

Opening balance	11,509	11,509
Provision for income tax	3,000	-
Total balance	14,509	11,509
Less : Payment during the year	-	-
Closing balance	14,509	11,509

Particulars

Amounts in BDT
30-Jun-20

Amounts in BDT
30-Jun-19

5.2 Advance office rent

Opening balance

Addition during the year

Total balance

Refund during the year

Closing balance

19,000	-
34,000	19,000
53,000	19,000
19,000	-
34,000	19,000

5.3 Advance house rent

Opening balance

Addition during the year

Total balance

Refund during the year

Closing balance

-	-
480,000	-
480,000	-
-	-
480,000	-

6.00 Cash and cash equivalents

Cash in hand

Cash at bank

-	-
147,864	5,094
147,864	5,094

6.1 Cash in hand

Cash in hand

-	-
-	-

6.2 Cash at bank

The City Bank Limited

Eastern Bank Limited

United Commercial Bank

Total

139	944
147,432	3,512
294	639
147,864	5,094

7.00 Share capital

A) Authorised Capital

10,000 Ordinary Shares of Tk. 10 each

100,000	100,000
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B) Issued, Subscribed and Paid-up Capital

10,000 ordinary shares of Taka 10

100,000	100,000
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C) Composition of shareholders at 30th June 2019.

Sl.No	Name	No. Shares	Rate	Holding %	Share Amount	Share Amount
1	Gautam Vijay Udani	5,000	10	50%	50,000	50,000
2	Jigar Praful Shah	5,000	10	50%	50,000	50,000
		10,000		100%	100,000	100,000

Particulars

Amounts in BDT	Amounts in BDT
30-Jun-20	30-Jun-19

8.00 Retained Earnings:

Opening balance
Net profit during the year
Add: Reversal of provision of tax from last year (As per tax rules)
Add: Reversal of VAT payable from last year (As per VAT rules)
Closing balance

(424,461)	(162,642)
526,838	(261,820)
4,009	-
45,600	-
151,986	(424,461)

9.00 Provision for tax liabilities

Opening balance
Provision for income tax
Total balance
Less : PPA
Closing balance

4,009	644
-	3,365
4,009	4,009
4,009	-
-	4,009

10.00 Loan from directors

Opening balance
Addition during the year
Total balance
Refund during the year
Closing balance

130,160	130,160
82,296	-
212,456	130,160
-	-
212,456	130,160

11.00 Liabilities for Expenses

Opening balance
Addition during the year
Total balance
Less: Payment during the year
Less: Payment during the year
Closing balance

225,896	138,188
1,738,277	87,708
1,964,173	225,896
180,296	-
45,600	-
1,738,277	225,896

11.1 Govt fees & charges

Opening balance
Addition during the year
Total balance
Payment during the year
Closing balance

34,788	34,788
7,277	-
42,065	34,788
34,788	-
7,277	34,788

Particulars

Amounts in BDT
30-Jun-20

Amounts in BDT
30-Jun-19

11.2 Professional fees

Opening balance
Addition during the year
Total balance
Payment during the year
Closing balance

57,500	57,500
34,500	-
92,000	57,500
57,500	-
34,500	57,500

11.3 Salaries payable

Opening balance
Addition during the year
Total balance
Payment during the year
Closing balance

19,008	-
-	19,008
19,008	19,008
19,008	-
-	19,008

11.4 VAT payable

Opening balance
Addition during the year
Total balance
Less: PPA
Closing balance

45,600	11,400
-	34,200
45,600	45,600
45,600	-
-	45,600

11.5 Audit fee payable

Opening balance
Addition during the year
Total balance
Payment during the year
Closing balance

69,000	34,500
34,500	34,500
103,500	69,000
69,000	-
34,500	69,000

11.6 Office rent payable

Opening balance
Addition during the year
Total balance
Payment during the year
Closing balance

-	-
178,500	-
178,500	-
-	-
178,500	-



11.7 House rent payable

Opening balance

Addition during the year

Total balance

Payment during the year

Closing balance

-

1,405,000

1,405,000

-

1,405,000

-

-

-

-

-

12.00 Revenue

Revenue from sales

Net revenue

2,912,184

2,912,184

560,817

560,817

13.00 Cost of Service

Cost of Service

78,500

78,500

284,277

284,277

14.00 Administrative & operating expenses

Administrative expenses Note 14.1

2,335,346

2,335,346

534,995

534,995

14.1 Administrative expenses

Office rent

House rent

Salary and allowances

Printing & stationary

Govt. fees & charges

Late fee for Tax return submission

Professional fees

Entertainment

Audit fee

Bank charges

205,263

2,026,316

216,000

17,430

2,277

2,000

34,500

-

34,500

1,990

2,335,346

228,000

-

216,000

17,430

-

34,200

-

34,500

4,865

534,995



14.2 Office rent

Security money
Rent during the year
Total
Payment during the year
Remaining (Payable)

14.3 House rent

Security money
Rent during the year
Total
Payment during the year
Remaining (Payable)

Amounts in BDT	Amounts in BDT
30-Jun-20	30-Jun-19
34,000	19,000
205,263	228,000
239,263	247,000
60,763.16	247,000
178,500	-

480,000	-
2,026,316	-
2,506,316	-
1,101,316	-
1,405,000	-



Chain Fintech Solutions Ltd.
Statement of Comprehensive Income
For the Year Ended 30 June 2020

SL	PARTICULARS	C O S T					Rate of depreciat ion	D E P R E C I A T I O N				Carried Value as of 30-Jun-20
		Cost on 01- July-19	During the year		Total Cost as of 30-Jun-20	Accumulated as of 01-July-19		During the Year		Accumulated as of 30-Jun-20		
			Addition	Disposal/ adjustment				Charged	Adjustment			
		1	2	3	4=(1+2-3)	6	7	8	9=(6+7-8)	10=(4-9)		
1	Furniture and Fixture	-	-	-	-	-	-	-	-	-		
2	Tools & Equipments	-	-	-	-	-	-	-	-	-		
3	Decoration	-	-	-	-	-	-	-	-	-		
4	Computer and Peripherals	-	-	-	-	-	-	-	-	-		
5	Software	-	-	-	-	-	-	-	-	-		
	Total	-	-	-	-	-	-	-	-	-		

Chain Fintech Solutions Ltd.
Statement of Comprehensive Income
For the Year Ended 30 June 2020

SL	PARTICULARS	C O S T					Rate of depreciat ion	D E P R E C I A T I O N				Carried Value as of 30-Jun-19
		Cost on 01- July-18	During the year		Total Cost as of 30-Jun-19	Accumulated as of 01-July-18		During the Year		Accumulated as of 30-Jun-19		
			Addition	Disposal/ adjustment				Charged	Adjustment			
		1	2	3	4=(1+2-3)	6	5	7	8	9=(6+7-8)	10=(4-9)	
	Total	-	-	-	-	-	-	-	-	-	-	

