

**AUDITORS' REPORT &
AUDITED FINANCIAL STATEMENTS
OF
Chain Fintech Solutions Ltd.
For The Year Ended 30th June, 2021**



Ref-10/21/922/1

DVC : 2110261104AS272331

AUDITORS REPORT

We have audited the accompanying Statement of Financial Position of Chain Fintech Solutions Ltd., as at 30th June, 2021 and the related Statement of Comprehensive Income, important notes to the financial statements and other explanatory information for the year ended on that date with the books of account.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Opinion


In our opinion, the financial statements Prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the association as 30th June, 2021 and of the results of its operations for the year then ended and comply with the other applicable laws and regulation.

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 purpose of our audit and made due verification thereof ;
- In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books ;
- The Company's Statement of Financial Position and Statements of Comprehensive Income dealt with by the report are in agreement with the books of account ;
- The expenditure incurred was for the purpose of the Company.

Date: 26th October, 2021
Place: Dhaka




(MD AMINUL ISLAM FCA)
HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS

Chain Fintech Solutions Ltd. **HUDA HOSSAIN & CO.**
 CHARTERED ACCOUNTANTS
 Statement of Financial Position

As at 30 June 2021

Particulars	Notes	Amounts in BDT	Amounts in BDT
		30-Jun-21	30-Jun-20
Assets			
A. Non- current assets			
Property, plant and equipment	4.00	5,697,370	-
		5,697,370	-
B. Current assets			
Trade receivables	5.00	587,210	1,526,346
Advances, deposits and prepayments	6.00	560,509	528,509
Bank gurantee		1,000,000	-
Cash and cash equivalents	7.00	14,477,321	147,864
		16,625,040	2,202,719
Total assets (A+B)		22,322,411	2,202,719
Shareholders equity and liabilities			
C. Shareholders' equity			
Share capital	8.00	100,000	100,000
Retained earnings	9.00	21,050,106	151,986
		21,150,106	251,986
D. Current liabilities and provision			
TDS Payable	10.00	468,970	-
Loan from directors	11.00	430,956	212,456
Liabilities for expenses	12.00	272,379	1,738,277
		1,172,304	1,950,733
Total shareholder's equity and liabilities (C+D)		22,322,411	2,202,719

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

Gr. V. Anni
 Chairman

Rafiq
 Managing Director

Signed in terms of our annexed report of even date

Place: Dhaka
 Dated:



MD AMINUL ISLAM FCA
HUDA HOSSAIN & CO.
 CHARTERED ACCOUNTANTS

Chain Fintech Solutions Ltd.
Statement of Comprehensive Income
For the Year Ended 30 June 2021

Particulars	Notes	Amounts in BDT	Amounts in BDT
		30-Jun-21	30-Jun-20
Revenue	13.00	36,042,791	2,912,184
Less: Cost of service	14.00	12,735,437	78,500
Gross profit		23,307,354	2,833,684
Less: Administrative & operating expenses	15.00	2,546,063	2,306,846
Operating profit or (loss)		20,761,291	526,838
Less: Financial expenses		-	-
Net profit or (loss) before tax		20,761,291	526,838
Less: Income tax expenses		-	-
Net profit or (loss) after tax		20,761,291	526,838

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

G. V. Sami
Chairman

Rafiq
Managing Director

Signed in terms of our annexed report of even date

Place: Dhaka
Dated:

(MD AMINUL ISLAM FCA)
HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS



Chain Fintech Solutions Ltd.
Statement of Cash Flow
For the Year Ended 30 June 2021

Particulars	Amounts in BDT	Amounts in BDT
	30-Jun-21	30-Jun-20
Cash flow from operating activities:		
Net profit or (loss) after tax	20,761,291	526,838
Add: Amount consider as non cash item		
Depreciation and Amortization	278,805	-
Changes in Operating Assets & Liabilities		
(Increase)/Decrease in Trade Receivable	939,136	(1,526,346)
(Increase)/Decrease in Advance, Deposits and Prepayments	(32,000)	(498,000)
(Increase)/Decrease in Bank Gurantee	(1,000,000)	-
Increase/(Decrease) in Provision for tax liabilities	468,970	(4,009)
Increase/(Decrease) in Loan from directors	218,500	82,296
Increase/(Decrease) Previous year Adjustemnt	136,829	49,609
Increase/(Decrease) in liabilities for expenses	(1,465,898)	1,512,381
Cash flows from operating activities (A)	20,305,633	142,769
Cash flow from investing activities :		
Acquisition of tangible asset	(5,976,175)	-
Aquisition of intangible asset	-	-
Cash flow from investing activities (B)	(5,976,175)	-
Cash flow from financing activities:		
Paid Up Capital Increase	-	-
Cash flow from financing activities (C)	-	-
Net cash flows (A+B+C)	14,329,458	142,769
Cash and Cash equivalents at beginning of the year	147,864	5,094
Cash and Cash equivalents at end of the year	14,477,321	147,864



Chain Fintech Solutions Ltd.
Statement of Changes in Equity
For the Year Ended 30 June 2021

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on 01-Jul-2020	100,000	-	151,986	251,986
New issue	-	-	-	-
Net profit/ (loss) during the period	-	-	20,761,291	20,761,291
Less dividend	-	-	-	-
Add: PPA	-	-	136,829	136,829
Balance as on 30-Jun-2021	100,000	-	20,913,277	21,150,106



Chain Fintech Solutions Ltd.
Notes to the Financial Statements
For the year ended 30 June 2021

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 2020 to 30 June 2021.

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 polices

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.
Notes to the Financial Statements
For the year ended 30 June 2021

Particulars	Amounts in BDT	Amounts in BDT
	30-Jun-21	30-Jun-20
4.00 Property, plant and equipment		
A. Cost		
Opening balance	-	-
Add : addition during the year	5,976,175	-
	5,976,175	-
Less : disposal during the year	-	-
Total (A)	5,976,175	-
B. Accumulated depreciation		
Opening balance	-	-
Add : charged during the year	278,805	-
	278,805	-
Less : adjustment for disposal during the year	-	-
Total (B)	278,805	-
C. Carrying amount (A-B)	5,697,370	-

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

5.00 Trade receivables

Opening balance	1,526,346	-
Addition during the year	474,529	1,526,346
Total balance	2,000,875	1,526,346
Received during the year	1,413,665	-
Closing balance	587,210	1,526,346

6.00 Advances, deposits and prepayments

AIT	14,509	14,509
Salary	32,000	-
Office rent	514,000	514,000
Total	560,509	528,509

6.1 Advance Income Tax

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



Particulars	Amounts in BDT 30-Jun-21	Amounts in BDT 30-Jun-20				
6.2 Advance office rent						
Opening balance	514,000	19,000				
Addition during the year	-	514,000				
Total balance	514,000	533,000				
Refund during the year	-	19,000				
Closing balance	514,000	514,000				
7.00 Cash and cash equivalents						
Cash in hand	163,806	-				
Cash at bank (note 6.1)	14,313,515	147,864				
	14,477,321	147,864				
7.1 Cash at bank						
The City Bank Limited	11,481,778	139				
Eastern Bank Limited	2,831,738	147,432				
United Commercial Bank	-	294				
Total	14,313,515	147,864				
8.00 Share capital						
A) Authorised Capital						
10,000 Ordinary Shares of Tk. 10 each	100,000	100,000				
B) Issued, Subscribed and Paid-up Capital						
10,000 ordinary shares of Taka 10	100,000	100,000				
C) Composition of shareholders at 30th June 2019.						
Sl.No	Name	No. Shares	Rate	holding or	Share Amount	Share Amount
1	Infini Systems Pvt. Ltd.	9,999	10	99.99%	99,990	99,990
2	Gautam Vijay Udani	1	10	0.01%	10	10
		10,000		100%	100,000	100,000



Particulars	Amounts in BDT	Amounts in BDT
	30-Jun-21	30-Jun-20
9.00 Retained Earnings:		
Opening balance	151,986	(424,461)
Net profit/(loss) during the year	20,761,291	526,838
Add: Reversal of provision of tax from last year (As per tax rules)	-	4,009
Add: Reversal of VAT payable from last year (As per VAT rules)	-	45,600
Add: PPA on cash at bank	136,829	-
Closing balance	21,050,106	151,986
10.00 TDS Payable		
Opening balance	-	4,009
TDS Payable	468,969.91	-
Provision for income tax	-	-
Total balance	468,970	4,009
Less : PPA	-	4,009
Closing balance	468,970	-
11.00 Loan from directors		
Opening balance	212,456	130,160
Addition during the year	218,500	82,296
Total balance	430,956	212,456
Refund during the year	-	-
Closing balance	430,956	212,456
12.00 Liabilities for Expenses		
Opening balance	1,738,277	225,896
Addition during the year	81,323	1,738,277
Total balance	1,819,599	1,964,173
Less: Payment during the year	1,547,221	180,296
Less: Adjustment during the year	-	45,600
Closing balance	272,379	1,738,277
12.1 Govt fees & charges		
Opening balance	7,277	34,788
Addition during the year	5,277	7,277
Total balance	12,554	42,065
Payment during the year	12,554	34,788
Closing balance	-	7,277



Particulars	Amounts in BDT	Amounts in BDT
	30-Jun-21	30-Jun-20
12.2 Professional fees		
Opening balance	34,500	57,500
Addition during the year	34,500	34,500
Total balance	69,000	92,000
Payment during the year	34,500	57,500
Closing balance	34,500	34,500
12.3 Salaries payable		
Opening balance	-	19,008
Addition during the year	-	-
Total balance	-	19,008
Payment during the year	-	19,008
Closing balance	-	-
12.4 VAT payable		
Opening balance	-	45,600
Addition during the year	81,323	-
Total balance	81,323	45,600
Less: PPA	-	45,600
Closing balance	81,323	-
12.5 Audit fee payable		
Opening balance	34,500	69,000
Addition during the year	34,500	34,500
Total balance	69,000	103,500
Payment during the year	34,500	69,000
Closing balance	34,500	34,500
12.6 Office rent payable		
Opening balance	1,583,500	-
Addition during the year	2,456,842	1,583,500
Total balance	4,040,342	1,583,500
Payment during the year	3,996,786	-
Closing balance	43,556	1,583,500
13.00 Revenue		
Revenue from sales	36,042,791	2,912,184
Net revenue	36,042,791	2,912,184



Particulars	Amounts in BDT	Amounts in BDT
	30-Jun-21	30-Jun-20
14.00 Cost of Service		
Web portal charge	7,458,383	-
Software purchase	4,488,000	-
Consultant fee	339,250	-
Salary and allowances	171,000	78,500
Depreciation	278,805	-
	12,735,437	78,500
15.00 Administrative & operating expenses		
Administrative expenses Note 14.1	2,546,063	2,306,846
	2,546,063	2,306,846
15.1 Administrative expenses		
Office rent	2,456,842	2,231,579
Govt. fees & charges	5,277	2,277
Misc. expense	-	2,000
Professional fees	34,500	34,500
Audit fee	25,000	34,500
Bank charges	24,444	1,990
	2,546,063	2,306,846



Chain Fintech Solutions Ltd.
Fixed Asset Schedule
For the year ended 30 June 2021

SL	PARTICULARS	C O S T				Rate of depreciation	D E P R E C I A T I O N				Carried Value as of 30-Jun-21
		Cost on 01-July-20	During the year		Total Cost as of 30-Jun-21		Accumulated as of 01-July-20	During the Year		Accumulated as of 30-Jun-21	
			Addition	Disposal/ adjustment				Charged	Adjustment		
		1	2	3	4=(1+2-3)	5	6	7	8	9=(6+7-8)	10=(4-9)
1	Furniture and Fixture	-	-	-	-	10%	-	-	-	-	-
2	Tools & Equipments	-	-	-	-	20%	-	-	-	-	-
3	Decoration	-	-	-	-	10%	-	-	-	-	-
4	Server	-	1,200,100	-	1,200,100	20%	-	80,007	-	80,007	1,120,093
5	Computer	-	800,115	-	800,115	0%	-	-	-	-	800,115
6	Software	-	3,975,960	-	3,975,960	5%	-	198,798	-	198,798	3,777,162
	Total	-	5,976,175	-	5,976,175		-	278,805	-	278,805	5,697,370



HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS