

**Bakhtiar
Israfil & Co.**

**To
The Shareholders
Chain Fintech Solutions Ltd.
Address: Haque Tower, JA-28/8-D,
Mohakhali C/A, Dhaka, Bangladesh.**

**Audited Financial Statements
of
Chain Fintech Solutions Ltd.**

For the year ended 30 June 2023

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of CHAIN FINTECH SOLUTIONS LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CHAIN FINTECH SOLUTIONS LTD., which comprise the statement of financial position as at 30 June 2023, and the 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 a true and fair view of the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's 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 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.

Emphasis of Matter

- 1) We are referring the note No. # 08.00 of financial statements whether the company has shown cash and cash equivalent amount of TK. 1,856,491, wherein the cash in hand is amount of TK. 1,842,509. We have not attended in cash count on 30 June 2023 and unable to surprise cash count during our Audit Period. Our report is not modified in this regard.
- 2) The company has been submitted its VAT return, but sales do not match between VAT return and financial statements. It has shown sales in its VAT return amount of Tk. 0.00 but during the year sales Shown in the financial statements amount of Tk. 614,118 difference is amount of Tk. 614,118. Output VAT would be amount of Tk. 29,244 but they paid output amount of Tk. 0.00 difference is amount of Tk. 29,244.



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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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 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.

- Evaluate 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 gives a true and fair view.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

- a) We have obtained all the information and explanation 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: Dhaka, 28/12/2023
DVC: 2312281755AS932409


Bakhtiar Israfil & Co.
Chartered Accountants
Signed by:
Md. Israfil Bakhtiar FCA
Enrollment No.: 1755



Bakhtiar Israfil & Co.

Chain Fintech Solutions Ltd. Statement of Financial Position As at 30 June 2023

Particulars	Note	Taka	Taka
		30-Jun-23	30-Jun-22
Assets			
Non Current Assets			
Property, Plant & Equipments	3.00	17,627,449	20,765,548
Total Intangible Assets		<u>17,627,449</u>	<u>20,765,548</u>
Current Assets			
Trade Receivable	4.00	1,562,333	948,215
Advance, Deposit & Prepayments	5.00	-	1,230,111
Bank Gurantee	6.00	1,000,000	1,000,000
Loan to Director	7.00	869,840	1,000,000
Cash and Cash Equivalents	8.00	1,856,491	2,017,486
Total Current Assets		<u>5,288,664</u>	<u>6,195,812</u>
Total Assets		<u>22,916,113</u>	<u>26,961,360</u>
Equity and Liabilities			
Equity			
Paid up Capital	9.00	100,000	100,000
Retained Earnings	10.00	21,976,171	26,569,844
Total Equity		<u>22,076,171</u>	<u>26,669,844</u>
Current Liabilities			
Loan from Directors	11.00	-	130,160
Short Term Loan	12.00	730,000	-
Provision & Accruals	13.00	106,433	161,356
Provision for Income Tax	15.00	3,509	-
Total Current Liabilities		<u>839,942</u>	<u>291,516</u>
Total Equity and Liabilities		<u>22,916,113</u>	<u>26,961,360</u>

These financial statements should be read in conjunction with the annexed notes

G.V. Islam

Director



Rajan

Managing Director

Auditors' Report to the Shareholders
See annexed report of date

Dated: Dhaka, 28/12/2023
DVC: 23122 81755AS 932409

Israfil

Bakhtiar Israfil & Co.
Chartered Accountants
Signed by:
Md. Israfil Bakhtiar FCA
Enrollment No.: 1755



Bakhtiar Israfil & Co.

Chain Fintech Solutions Ltd. Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2023

Particulars	Note	Taka	Taka
		30-Jun-23	30-Jun-22
Revenue	16.00	584,874	15,509,814
Direct Expenses	17.00	(3,069,505)	(5,410,889)
		(2,484,631)	10,098,925
Operating Expenses:			
Administrative Expenses	18.00	(2,097,363)	(4,637,806)
		-	-
Profit from Operation		(4,581,995)	5,461,119
Non Operating Income	19.00	-	79,800
Financial Expenses	20.00	8,170	21,181
Net Profit/(Loss) Before Tax		(4,590,165)	5,519,738
Provision Income Tax	21.00	(3,509)	-
Net Profit/(Loss) After Tax		(4,593,674)	5,519,738

These financial statements should be read in conjunction with the annexed notes

G.V. Uddan

Director



Rajan

Managing Director

Auditors' Report to the Shareholders
See annexed report of date

Dated: Dhaka 28/12/2023
DVC: 2312281755AS932409

Israfil

Bakhtiar Israfil & Co.
Chartered Accountants
Signed by:
Md. Israfil Bakhtiar FCA
Enrollment No.: 1755



Chain Fintech Solutions Ltd.
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Taka			
	Share Capital	Reserve	Retained Earning	Total Equity
Balance as at 01 July 2022	100,000	-	26,569,844	26,669,844
Net Profit/(Loss) After Tax	-	-	(4,593,674)	(4,593,674)
Balance as at 30 June 2023	100,000		21,976,170	22,076,171
Balance as at 01 July 2021	100,000	-	21,050,106	21,150,106
Addition during the year	-	-	-	-
Net Profit/(Loss) After Tax	-	-	5,519,738	5,519,738
Balance as at 30 June 2022	100,000		26,569,844	26,669,844


Director




Managing Director



Chain Fintech Solutions Ltd.
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Taka	Taka
	30-Jun-23	30-Jun-22
A. Cash Flow from Operating Activities		
Net profit/(Loss) after Tax	(4,593,674)	5,519,738
Depreciation	3,138,099	1,398,694
Increase/Decrease in Accounts Receivable	(614,118)	(361,005)
Increase/Decrease in Advance deposit & Prepayments	1,230,111	(669,602)
Increase/Decrease in Bank Guarantee	-	-
Increase/Decrease in Provision & Accruals	(54,923)	(111,022)
Increase/Decrease in Provision for Income Tax	3,509	(468,970)
Net Cash Flow from Operating Activities	(890,995)	5,307,833
B. Cash Flow from Investing Activities		
Proceed from Ordinary Share	-	-
Purchase of Fixed Assets	-	(16,466,872)
Net Cash Used in Investing Activities	-	(16,466,872)
C. Cash Flow from Financing Activities		
Loan from Sister Concern	730,000	-
Loan from Director	-	(1,300,796)
Net Cash Flow from Financing Activities	730,000	(1,300,796)
D. Increase/(decrease) in cash or cash equivalents (A+B+C)	(160,995)	(12,459,835)
E. Cash and Cash Equivalents at Beginning of Year	2,017,486	14,477,321
F. Cash and Cash Equivalents at End of year (D+E)	1,856,491	2,017,486



Chain Fintech Solutions Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2023

1. Corporate Information

1.1 Formation and Legal Status

Chain Fintech Solutions Ltd. is a private limited company incorporated in Bangladesh on 12th August 2020 under the Companies Act 1994 bearing registration no. C -142873/2018 The registered address of the company is situated at Haque Tower, JA-28/8-D,, Mohakhali C/A, Dhaka, Bangladesh.

1.2 Nature of Business of the Company

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

2. Basis of Preparation

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting standards (IFRS), and the relevant provisions of the Companies Act 1994 and other applicable laws and regulations. The elements in the financial statements have been measured at historical cost.

2.2 Basis of Measurement

The Financial statements have been prepared on accrual basis, except for the statement of cash flows, under historical cost convention.

2.3 Reporting currency and level of precision

The Financial Statements are prepared in Bangladesh Taka (Taka/Tk/BDT), which is also the company's functional currency. All financial information are presented in Taka and has been rounded off to the nearest Taka.

2.4 Materiality, Aggregation and Offsetting

The Company presents material items separately. Financial Statements is a result of processing a large number of transactions or events that are aggregated into classes according to the nature or function. However, the company does not offset assets and liabilities or income and expenses unless required or permitted by IAS or IFRS.

2.5 Functional and Presentational Currency and Level of Precision

The Financial Statements have been prepared and presented in Bangladeshi Currency (BDT), which is the functional currency of the Company. Figures have been rounded off to nearest Taka, unless stated otherwise.

2.6 Use of Estimates and Judgment

1) Estimates

The preparation of financial statements in conformity of IFRS recognition and measurement of principles require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenue and expenses. Such estimates are prepared on the assumption of going concern, are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual result could differ from the estimates.



ii) Judgments

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the financial statements is judgmental.

2.7 Going Concern

The company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements. The current credit facilities and business prospective of the company provide sufficient fund and ability to meet the present obligations of its existing businesses and operations.

2.8 Applicable accounting standards

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

- IAS - 1 Presentation of Financial Statements
- IAS - 7 Statements of Cash Flows
- IAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS - 24 Related Party
- IAS - 32 Financial Instruments: Presentation
- IAS - 37 Provisions, Contingent Liabilities and Contingent Assets
- IFRS - 9 Financial Instruments

2.9 Reporting Period

The Financial Statements of the Company cover one year from 01 July to 30 June and is followed Consistently.

2.10 Comparative Information

Comparative information has been disclosed in respect of the year ended on 30 June 2023 in accordance with IAS-1 Presentation of Financial Statement, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current years Financial Statements. Figures for the year 2022 have been regrouped/rearranged, wherever considered necessary, to ensure better comparability with the current year.

3. Summary of Significant Accounting Policies and other Material Information

3.1 Property, Plant and Equipment

i) Initial measurement

The cost of acquisition of an asset comprises its purchase price and directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Subsequent Measurement

Cost Model

These are capitalized at cost of acquisition and subsequently stated at cost amounts less accumulated depreciation and accumulated impairment losses (if any).

Revaluation Model

The asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment (if any).

iii) Subsequent costs

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.



iv) Depreciation of Property, Plant & Equipment

Depreciation has been charged on all fixed assets on straight line method. Full year's depreciation is charged irrespective of date of acquisition and no depreciation is charged in the year of disposal of any asset. The rates of depreciation and classification of fixed assets are presented in Annexure-A "Schedule of Property, Plant & Equipment".

3.2 Inventories

Finished stocks are stated at lower of Cost and Net Realizable Value (NRV) while packing material raw material, promotional items, work-in-process and spare parts are valued at invoice price along with other direct cost associated to bring the inventories at present location. Cost comprises invoice value plus other directly attributable costs. Net Realizable Value is based on estimated selling price less cost to completion and selling expenses.

3.3 Financial instruments

i) Non-derivative financial assets

Non-derivative financial assets consist of trade receivable, cash and cash equivalents that are available for use by the Company without any restriction. All non-derivative financial assets are accounted for at trade date. The carrying value of non-derivative financial instruments is reviewed for impairment on annual basis to assess if there is any indication that the assets may be impaired. The company derecognizes a non-derivative financial asset when no further cash flow is expected to flow to the company from the asset and if substantially all risks and rewards attached to the assets have been transferred.

a) Cash

Cash and cash equivalents comprises cash in hand and cash at bank.

b) Trade receivable

Trade receivables are stated at their nominal value and considered as fully recoverable and hence no provision has been made for doubtful debt and no amount was written off as bad.

ii) Non-derivative financial liabilities

Non-derivative financial liabilities consists of trade payables, short-term debt and long term debts. The company initially accounted for all non-derivative financial liabilities on the transaction date. The company derecognizes a non-derivative financial liability when its contractual obligations are discharged or cancelled or expired.

3.4 Provisions

The Company recognizes provisions when it has legal or constructive obligation resulting from past events, the settlement of which would result in outflow of resources embodying economic benefits to the company.

3.5 Revenue Recognition

i) Sales of Goods

In compliance with the requirements of IFRS-15: "Revenue", revenue is recognized at the time of delivery of Service to customers and there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenues are measured at the fair value of the consideration received or receivable, net of discounts and sales related Taxes (VAT).



ii) Other income

Other income is recognized when the fair value of consideration is received from the customer and the risk and rewards of goods are transferred to the buyer concurrently.

3.6 Income Taxes

Income tax expense is recognized in the Statement of Comprehensive Income and accounted for in accordance with requirement of IAS 12: "Income Taxes".

Current Tax

Provision for income tax has been made using the rate enacted at the reporting date as per Income Tax Ordinance 1984 and duly amended by the Finance Act time to time. The applicable tax rate for the company is 30% for the financial year.

3.7 General

Previous year's figures have been regrouped/reclassified wherever considered necessary to confirm to current year's presentation. Figures have been rounded off to the nearest BDT, as the currency represented in this Financial Statements.



Chain Fintech Solutions Ltd.
For the year ended 30th June 2023
Notes To The Financial Statement

Sl. No.	Particulars	Taka	Taka
		30-Jun-23	30-Jun-22
3.00	Property, Plant & Equipments		
	Cost		
	Opening balance	22,443,047	5,976,175
	Add: Addition during the year	-	16,466,872
	Closing balance	22,443,047	22,443,047
	Accumulated depreciation		
	Opening balance	1,677,499	278,805
	Charged during the year	3,138,099	1,398,694
	Closing balance	4,815,598	1,677,499
	Written Down Value (W.D.V)	17,627,449	20,765,548
Details have been shown in Schedule of Property, Plant and Equipment			
4.00	Trade Receivable		
	Bank Asia	1,562,333	948,215
		1,562,333	948,215
5.00	Advance, Deposit & Prepayments		
	Salary	-	32,000
	Office Rent	-	1,183,602
	AIT	-	14,509
		-	1,230,111
6.00	Bank Gurantee		
		1,000,000	1,000,000
		1,000,000	1,000,000
7.00	Loan to Director		
		869,840	1,000,000
		869,840	1,000,000
8.00	Cash and Cash Equivalent		
	Cash in Hand	1,842,509	1,515,333
	Cash at Bank (Notes:9.01)	13,983	502,153
		1,856,491	2,017,486
8.01	Cash at Bank		
	The City Bank Ltd	5,999	460,134
	Eastern bank Ltd.	7,984	42,019
		13,983	502,153



Bakhtiar Israfil & Co.

Sl. No.	Particulars	Taka	Taka
		30-Jun-23	30-Jun-22
9.00	Issued capital		
	Authorised:		
	10,000 Ordinary Shares of Tk. 10 Each	100,000	100,000
	Issued and fully paid-up:		
	10,000 Ordinary Shares of Tk. 10 Each	100,000	100,000
		100,000	100,000

The Details are as follows:

Name	No. of Shares	% of Shares	2023	2022
Infini Systems Pvt. Ltd.	9999	99.99%	99,990	99,990
Gautam Vijay Udani	1	0.10%	100	100
			100,090	100,090

10.00	Retained Earning		
	Opening balance	26,569,844	21,050,106
	Add: Net Profit/(Loss) After Tax	(4,593,674)	5,519,738
		21,976,170	26,569,844
11.00	Loan from Directors		
		-	130,160
		-	130,160
12.00	Short Term Loan		
	Loan from others	730,000	-
		730,000	-
13.00	Provision & Accruals		
	Audit Fee	30,000	34,500
	VAT on Audit Fee	5,000	-
	AIT on Audit Fee	3,333	-
	Vat payable	68,100	38,856
	Conveyance	-	88,000
		106,433	161,356
14.00	Supply of Tax payable		
	Opening Balance	-	-
	Add: Addition during this year	452,394	-
		452,394	-
	Less: Paid during this year	452,394	-
		-	-
15.00	Provision for Income Tax		
	Opening Balance	-	-
	Less: Paid during this year	-	-
		-	-
	Add: Addition during this year	3,509	-
		3,509	-



Bakhtiar Israfil & Co

Sl. No.	Particulars	Taka	Taka
		30-Jun-23	30-Jun-22
16.00	Revenue		
	Service Revenue	614,118	16,285,305
	Less: Vat	29,244	775,491
		584,874	15,509,814
17.00	Cost of Service		
	Software Maintenance		3,728,074
	Salary & Allowance	608,181	498,415
	Depreciation	2,461,324	1,184,400
		3,069,505	5,410,889
18.00	Administrative Expenses		
	Office Rent	1,183,602	2,456,842
	Govt. Fees & Charges	10,325	5,277
	Misc. Exp.	-	87,015
	Legal Fee	-	581,522
	Advertisement	-	115,000
	Entertainment	-	42,000
	Fooding Expenses	63,984	139,798
	Promotional Expenses	-	200,100
	Printing & Stationery	18,915	145,115
	Tax Expenses	14,509	-
	Conveyance	90,900	556,343
	Office Maintenance	20	60,000
	Audit Fee	30,000	34,500
	AIT on Audit Fee	3,333	-
	VAT On Audit Fees	5,000	-
	Depreciation	676,775	214,294
		2,097,363	4,637,806
19.00	Non Operating Income		
	Other Income	-	79,800
		-	79,800
20.00	Financial Expenses		
	Bank Charges	8,170	21,181
		8,170	21,181
21.00	Current tax (Higher of a,b & c)		
a.	Advance Income Tax (AIT) U/S-52	-	-
b.	Tax on Gross receipts @ 0.6%	3,509	-
c.	Regular tax on business income @ 30%	-	-
		3,509	-

Chain Fintech Solutions Ltd.
Schedule of Property, Plant and Equipment
As at 30 June 2023

Annexure-A

Particulars	Cost			Rate	Depreciation			Written down value as at 30 June 2023
	Balance as on 01 July 2022	Addition	Adjustment		Balance as on 01 July 2022	Charged during the year	Adjustment	
Furniture & Fixture	1,900,400	-	-	10%	47,510	185,289	-	1,667,601
Printer & Scanner	389,798			20%	19,490	74,062		296,246
Decoration	1,500,000			10%	50,000	145,000		1,305,000
Server	2,400,100			20%	234,680	433,084		1,732,336
Computer	1,459,415			20%	97,294	272,424		1,089,697
Web Portal	6,000,000			30%	600,000	1,620,000		3,780,000
Software Development	8,793,334			5%	628,525	408,240		7,756,569
Balance as at 30 June 2023	22,443,047	-	-		1,677,499	3,138,099	-	17,627,449
Balance as at 30 June 2022	5,976,175	16,466,872	-		278,805	1,398,694	-	20,765,548

Cost of Service	2,461,324
Administrative Expenses	676,775

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