

ZAHUR & MOSTAFIZ

Chartered Accountants

Arvind Niloy Exports (Pvt.) Ltd.
Statement of Financial Position
As at 31st March 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	3	9,000,000	9,000,000
Retained earning		(29,251,345)	(16,124,643)
Share Money deposit		10,520,400	5,861,900
		<u>(9,730,945)</u>	<u>(1,262,743)</u>
APPLICATIONS OF FUNDS			
Non Current Assets			
Fixed Assets	4	326,115	365,648
Preliminary expenses	5	133,238	199,858
Current Assets			
Inventory	6	247,802	247,802
Cash and bank balances	7	872,418	55,777
Advance, Deposit & Prepayments	8	(2,607,320)	2,319,871
Loan advance with head office	9	4,628	2,261,862
		(1,482,471)	4,885,312
Less: Current Liabilities and Provisions			
Accrued & accounts payable	10	8,707,828	6,697,429
Income tax provision	11	-	16,132
		8,707,828	6,713,561
Net Current Assets		<u>(10,190,299)</u>	<u>(1,828,249)</u>
		<u>(9,730,945)</u>	<u>(1,262,743)</u>

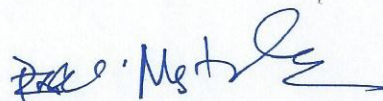
These financial statements should be read in conjunction with the annexed notes.

sd/-
 Managing Director

sd/-
 Director

sd/-
 Chief Finance Officer

Dhaka,


 Chartered Accountants

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Arvind Niloy Exports (Pvt.) Ltd. Statement of Comprehensive Income for the Year ended 31st March 2015

	<u>Notes</u>	<u>2015</u> <u>Taka</u>	<u>2015</u> <u>Taka</u>
Turnover	12	-	3,226,398
Less: General Administrative, Marketing & Selling Exp.	13	<u>13,126,702</u>	<u>16,313,302</u>
Net Profit before tax		(13,126,702)	(13,086,904)
Provision for tax:	11	-	16,132
Net Profit for the year transferred to retained earnings		(13,126,702)	(13,103,036)

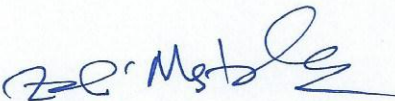
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sd/-
Managing Director

sd/-
Director

sd/-
Chief Finance Officer

Dhaka


Chartered Accountants

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Arvind Niloy Exports (Pvt.) Ltd.
Statement of Changes in Equity
for the Year ended 31st March 2015

Particulars	Share capital (Taka)	Retained earning (Taka)	Share money (Taka)	Total (Taka)
Balance as on 1st April 2013	4,000,000	(3,021,608)		978,392
Capital Increased During The year	5,000,000			5,000,000
Sharemoney deposited During The year			5,861,900	5,861,900
Net profit for the year 2014	-	(13,103,036)	-	(13,103,036)
Balance as of 31st March 2014	9,000,000	(16,124,644)	5,861,900	(1,262,744)
Balance as on 1st April 2014	9,000,000	(16,124,643)	5,861,900	(1,262,743)
Sharemoney deposited During The year			4,658,500	4,658,500
Net profit for the ended 31st March'15	-	(13,126,702)	-	(13,126,702)
Balance as of 31st March 2015	9,000,000	(29,251,345)	10,520,400	(9,730,945)

sd/-

Managing Director

sd/-

Director

sd/-

Chief Finance Officer



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Arvind Niloy Exports (Pvt.) Ltd.
Statement of Cash Flows
for the year ended 31st March 2015

	<u>2015</u> <u>Taka</u>	<u>2014</u> <u>Taka</u>
Cash flows from operating activities		
Net Profit for the year	(13,126,702)	(13,086,903)
Adjustments for non-cash items		
Depreciation	167,032	91,412
Amortizaion of Preliminary Expenses	66,620	66,620
Operating profit before changes in working capital	(12,893,051)	(12,928,871)
Changes in working capital		
(Increase)/ decrease in inventories/work in progress	-	(247,802)
(Increase)/ decrease in trade and other debtors	-	-
(Increase)/ decrease in advance, deposit & prepayments	4,927,191	(1,437,928)
(Increase)/ decrease in advance against sales	-	-
increase/(decrease) in inter-company receivables	-	(2,261,862)
Increase/ (decrease) in current liabilities liabilities	2,010,399	3,539,786
Increase/ (decrease) in short term loan	2,257,234	-
Increase/(decrease) in provisions for tax	-	-
(Increase)/decrease in Preliminary Expenses	-	-
	9,194,824	(407,806)
Cash generated from operating activities	(3,698,227)	(13,336,677)
Less:Tax paid	16,132	-
Net cash flow from operating activities	(3,714,359)	(13,336,677)
Cash flows from investing activities		
Acquisition of fixed assets	127,500	431,959
Un-allocated revenue expenditure & Preliminary expenses	-	-
Net cash used in investing activities	(127,500)	(431,959)
Cash flows from financing activities		
Receipts of sharemoney deposit	4,658,500	5,861,900
Allotment of shares	-	5,000,000
Net cash flow from financing activities	4,658,500	10,861,900
Net increase/(decrease) of cash and bank balances for the year	816,641	(2,906,736)
Cash and bank balances at the beginning of the year	55,777	2,962,514
Cash and bank balances at the end of the year	872,418	55,777

sd/-

Managing Director

sd/-

Director

sd/-

Chief Finance Officer



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Arvind Niloy Exports (Pvt.) Ltd.
Notes to the Financial Statements
for the year ended 31st March 2015

1 Status and activity of the company

Arvind Niloy Export (Pvt.) Ltd. is a private company limited by shares and was incorporated in Bangladesh under the Companies Act, 1994 on 02-01-13 bearing registration no C-106519/13. The main activities of the company is to establish a buying house for Export & Import oriented readymade garments, accessories and all sorts of traditional, nontraditional handicrafts, general and industrial items and also to invest either indivisually or with joint venture in any industry for Design, Deying, Printing, Washing, Bleaching, Calandaring and packaging, readymade garments, sweater, knitting, textile and allied nature of industries.

2 Summary of significant accounting policies

2.01 Basis and convention of accounting

The financial statements of the company, which are expressed in Bangladesh Taka, are prepared in accordance with Bangladesh Accounting Standards so far adopted in Bangladesh and under the historical cost convention.

2.02 Fixed assets

Tangible fixed assets have been stated at cost as reduced by accumulated depreciation. Fixed assets costing less than BDT 1,000 are recognized as expenditure irrespective of their useful lives.

2.03 Depreciation

Depreciation is provided on all fixed assets, at various rates on a reducing balance method over their estimated useful lives. Depreciation on additions to fixed assets are charged for the full year in the year of acquisition while no depreciation is charged in the year of retirement/disposal. The rates of depreciation and useful lives are stated below:

<u>Name of Fixed Assets</u>	<u>Rates of Depreciation (%)</u>	<u>Estimated useful lives</u>
Office Equipment	20.00	
Office Furniture	20.00	
Computers	60.00	

Company charge depreciation on fixed assets as per rates and method of Income tax act.



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2.04 Inventories

Inventories are valued at lower of cost and net realizable value. Inventories comprise of sample instruments for readymade garments, design sheet, accessories, stationery etc

2.05 Trade debtors

Trade debtors, which generally have within 90 days terms, are recognized and carried at

2.06 Intercompany payables

Intercompany payables are usually settled on 60 days terms and are carried at cost.

2.07 Balances with related companies

Balances with related companies, which are normally settled on 30-60 days terms, are carried at cost.

2.08 Turnover and revenue recognition

Sales / Turnover are recognized net of discounts / claims when the goods or services are delivered and accepted by customers . The Company does'nt have any policy to recover

2.09 Tax Rate

The tax rate is 37.5% on the taxable net profit. The disclosed net profits are adjusted in line with the requirement of Income Tax Ordinance 1984. The Company is engaged in earning buying house commission from different garments industries. The commission so earned are subject to deduction of advance income tax u/s 53EE of the said Ordinance @ 7.5% and the taxes so deducted are adjusted and are given credit at the time of computation of total income and tax chargeable thereon.

2.10 Employee benefit

The Company is not required to establish WPPF according to labour Act. The establishment of Contributory Provident Fund (CPF) is under consideration.

2.11 Foreign currency transactions

- a) Foreign currency transactions have been converted into Bangladesh Taka at the rulling rate on the date of transaction; and
- b) The imported plant & equipment has been converted at historical rates.

2.12 General

- (i) Figures appearing in the financial statements have been rounded off to the nearest Taka; and
- (ii) Previous year's figures have been rearranged, whenever considered necessary to conform to the current year's presentation.



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2015 2014
Taka Taka

3 Share Capital

Authorized capital

"5,00,000 ordinary shares of Taka 100 each 50,000,000 50,000,000

Issued, subscribed and paid-up capital

90000 (PY 40000) ordinary shares of Taka 100 each fully paid up. Details of shares held by the subscribers are as under:

<u>Name of shareholders</u>	<u>Nationality</u>	<u>No of shareholdings</u>		<u>Amount in</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Arvind Limited	Indian	63,000	63,000	6,300,000	6,300,000
Nitol Motors Limited	Bangladeshi	27,000	27,000	2,700,000	2,700,000
		<u>90,000</u>	<u>90,000</u>	<u>9,000,000</u>	<u>9,000,000</u>

4 Fixed assets at cost - less accumulated depreciation

Fixed assets at cost:

Balance as on 1st April 2014	457,059	25,100
Add: Additions during the year	<u>127,500</u>	<u>431,959</u>
	584,559	457,059
Less: Adjustments/disposal during the year	-	-
Balance as on 31st March 2015	<u>584,559</u>	<u>457,059</u>

Accumulated depreciation:

Balance as on 1st April 2014	91,412	-
Add: Charged during the year	<u>167,032</u>	<u>91,412</u>
	258,444	91,412
Less: Adjustments/disposal during the year	-	-
Balance as on 31st March 2015	<u>326,115</u>	<u>365,648</u>

The details of fixed assets are shown in **Annexure - A**

5 Preliminary Expenses

199,858	266,478
Less: Amortization of Expenses	<u>66,620</u>
	<u>199,858</u>

The preliminary expenses represent the amount spent for incorporation of the Company. The preliminary expenses include Stamping fees, Company registration fees, authorized capital registration fees, certification of memorandum and articles of association and other allied pre-incorporation expenses. The entire amount will be amortized over a period of 05 years.



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	<u>2015</u>	<u>2014</u>
	<u>Taka</u>	<u>Taka</u>
6 Inventory	<u>247,802</u>	<u>247802</u>
Inventory includes sample of fabrics & garments, design, pattern & order sheet, spares, accessories & stationery. At the close of business on 31st march 2015, the inventory is stated at cost or net		
7 Cash & Bank Balance		
Cash at Bank	866,159	14,288
Cash in hand	6,259	41,489
	<u>872,418</u>	<u>55,777</u>
8 Advance, Deposit & Prepayments		
Loans & Advance(Office & Guest House Rent)	879,944	879944
Loans & Advance other	-	1371361
AIT 0.8 % on inward remittance	-	2828
Staff Advance	4,628	65738
	<u>884,572</u>	<u>2,319,871</u>
It represent the security money deposited , advance paid to staff, advance office rent and other advance for procurement of goods and services.		
9 Loan & advance	<u>2,568,770</u>	<u>2261862</u>
This amount represent the the fund receivables from its sponsor's office Arvind Ltd, bangalore, India derived from rendering services to them.		
10 Current liabilities		
Duties & Taxes	552,761	788390
Provision (office rent, security deposit etc)	8,034,317	5693039
Audit fees payable	-	45000
Sundry Creditors	121,000	171000
	<u>8,708,078</u>	<u>6,697,429</u>
11 Provision for Income Tax	<u>-</u>	<u>16132</u>
The tax rate of the company is 35%. The company disclosed a before tax net loss of BDT 1,31,08,420.00 & the company don't have any revenue, so in accordance with 16CCC of ITO 1984 company didn't charged any tax at the close of business as at 31st March, 2014.		
12 Turnover	<u>-</u>	<u>3,226,398</u>
Generally Company earned profits and fees & commission by providing technical , marketing expertised services & solutions and arranging export order to different garments manufacturer.		



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	2015 <u>Taka</u>	2014 <u>Taka</u>
13 General Administrative, Marketing & Selling Expenses		
Audit Fees	46,100	50,000
Bank Charge	2,889	56,265
Boarding & Loading Exp. (Travel for Business development)	-	62,634
Staff Welfare	49,950	-
Transportaion Exp	5,000	-
Car Exp.-Overtime	3,880	70,520
Car Fuel-CNG, Octane, Parking fees etc	164,196	166,094
C&F Expenses & Duty	102,940	72,520
Courier Exp.	329,400	536,661
Donation	3,000	-
Canteen/Food Exp	51,011	-
Fitting & Fixtures	465	32,922
Medical Exp	26,000	-
Guest House Expenses	57,907	38,597
Guest House Exp- Electricity	28,755	20,024
Guest House Exp.-Food	52,723	91,965
Security & House Keeping Exp.	154,207	357,968
Licenses renewal Fees & Expenses	10,860	78,000
Local Conveyance	20,771	97,840
Telephone & Mobile Exp.	145,054	224,443
Office Exp.-Canteen	13,160	29,989
Office Maintainance & Misc Exp.	23,245	61,378
Office Internet- Router Fee	70,000	104,194
Printing & Stationry	28,291	48,899
Rent- Guest House	630,000	1,080,000
Rent-Office	2,450,000	4,199,664
Salaries, Allowences , Expenses Reimbursement, Benefits	6,004,204	6,468,518
Professional & consultancy fees	1,162,189	-
Sample Development, Testing & Processing charges	129,287	293,871
Travelling Exp.-Air Fare	263,378	761,638
Travelling Exp & Work permit Expenses.- VISA	101,078	154,189
VAT Borne by Co @ 15%	42,948	91,500
VAT Borne by Co @9%	348,816	361,764
Vehical Hire CHG	326,315	520,000
WI-FI Internet Fee-Guest House	-	23,213
Amortizaion of Preliminary Expenses	66,620	66,620
Depreciation	167,032	91,412
Miscellaneous Expenses	45,032	-
	<u>13,126,702</u>	<u>16,313,302</u>



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14 Contingent liability

The company is not contingently liable for any guarantee given to third party nor for any litigation as of 31st March 2015.

16.1 Bill of exchange with the bank	-	-
16.2 Guarantee outstanding	-	-
16.3 Other contingent liability (Insurance claim)	-	-
16.4 Claims against the company not acknowledged as debts	-	-
16.5 Capital expenditure commitments	-	-
i) Contracted but not accounted for	-	-
ii) Approved but not contracted for	-	-
16.6 Commitment for payment against L/C	-	-

15 Number of employees

The total number of employees at the end of the year was (2013: 03).

<u>Particulars</u>	<u>Number of employees</u>	
Factory workers	8	5
Head office staff	-	-
Total	8	5



16 Related Parties Transactions

(Figures in Bangladesh Taka)

Inter Company	Purpose	Balance (payable) Receivable as on 1st April 2014	Amount (Invoiced to Co) Invoiced by Co. during the year	Amount received during the year	Balance (Payable) Receivable as 31st March 2015
Arvind Limited	Travelling cost Reimbursement	2,261,862	425,530	8,743,425	(6,056,033)
Nitol Motors Limited	Rent of Office Premises	(4,987,096)	(2,327,500)	-	(7,314,596)
Nitol Motors Limited	Deposit for Office Premises	(699,944)	-	-	(699,944)
Total		(3,425,178)	(1,901,970)	8,743,425	(14,070,573)



Arvind Niloy Exports (Pvt.) Ltd.
Schedule of Fixed Assets
as at 31st March 2015

(Figures in Bangladesh Taka)

Particulars	C O S T			Rate (%)	D E P R E C I A T I O N			Written down value as at 31st March 2015
	Balance as at 1st April 2014	Additions during the year	Disposal during the year		Balance as at 31st March 2015	Charges for the year	Adjustments during the year	
Office Equipments	38,531	2,200	-	20%	40,731	8,146	15,852	24,879
Office Computers	-	125,300	-	60%	125,300	75,180	75,180	50,120
Office Furniture	418,528	-	-	20%	418,528	83,706	167,412	251,116
Total 2015	457,059	127,500	-		584,559	167,032	258,444	326,115
Total 2014	25,100	431,959	-		457,059	91,412	91,412	365,648

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