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| **Client Name:** Cosmopolitan Industries (Pvt.) Limited | |
| **Accounting period:** 01 July 2021 to 30 June 2022 | |
| **Prepared by:** Salauddin Morshed | **Date:** 27 May 2022 |
| **Reviewed by:** Faruk Uddin Ahammed | **Date:** 27 May 2022 |
| **Subject:** Minutes of Audit Planning Meeting |  |

**Objective:** The objective of this MEMO is to document the discussion minutes of Audit Planning Meeting held on 20 May (3.00 PM) between audit Engagement Team (ET) and management & those charge with governance (TCWG) of Cosmopolitan Industries (Pvt.) Limited.

# Attendee:

|  |  |  |
| --- | --- | --- |
| **Name** | **Designation** | **Present/ Regret** |
| Nilan Perera | General Manager, Cosmopolitan Industries (Pvt.) Limited | Present |
| Golam Mowla | Deputy General Manager, Cosmopolitan Industries (Pvt.) Limited | Present |
| Faruk Uddin Ahammed | Engagement Partner, Nurul Faruk Hasan & Co. | Present |
| Salauddin Morshed | Manager, Nurul Faruk Hasan & Co. | Present |
| Masudur Rahman | Assistant Manager, Nurul Faruk Hasan & Co. | Present |
| Md. Mizanur Rahman | Senior Executive, Nurul Faruk Hasan & Co. | Present |
| Imtiaz Rashid | Audit Senior, Nurul Faruk Hasan & Co. | Present |

**Topics Discussed and Resolutions:**

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| --- | --- | --- |
| **Topic** | **Discussion** | **Resolution (if any)** |
| Performance in FY21 | Cosmopolitan Industries (Pvt.) Limited experienced a 39% sales growth in FY 2021 - 2022 compared with FY 2020 - 2021. High sales in FY 2021 - 2022 was due to the recovery of the impact of COVID-19 and improved competitive edge in the market. |  |
| Outlook in FY22 | Cosmopolitan Industries (Pvt.) Limited is expecting growth business by more than 15% in FY 2022 - 2023. Garments Industry is expanding exponentially after the recovery of the impact of COVID-19. The company will try to capitalize this opportunity. |  |

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| Significant events during the year | No mentionable significant change in operational model, technology, and business infrastructure. | |  |
| Fraud queries | Management of Cosmopolitan Industries (Pvt.) Limited, in their best knowledge, has not been informed regarding any committed or suspected fraud during audit period. | | ET will conduct a |
|  | separate fraud query |
|  | meeting with |
|  | Management and |
|  | Those in-Charge with Governance. |
| Materiality | Materiality for group reporting fixed-up as USD 1,302,000. | is |  |
| Significant risks | Revenue and Management Override of Control (MOC) have been  considered as significant risk items for this audit. | |  |
| Revenue risks and | Right to return considerations is very  minimal for Cosmopolitan Industries (Pvt.) Limited as the company sells to its parent and there is high customization of products.  No provision for right to return  consideration is made by Cosmopolitan Industries (Pvt.) Limited. | |  |
| IFRS15 impact |
| (right to return |
| considerations, |
| rebate, significant |
| financial |
| components) |  | |
| Related party transactions during the year | Cosmopolitan Industries (Pvt.) Limited has related party transactions with following parties during the period.   1. Epic Designers Ltd., Hong Kong 2. Alpha Start Ltd., Hong Kong 3. Epic Garments Manufacturing Co. Ltd. 4. Epic Garments DWC - LLC, Dubai | |  |
| Key customers and going concern | Cosmopolitan Industries (Pvt.) Limited has 2 customers: | |  |
|  | 1. Epic Designers Ltd., Hong Kong 2. Epic Garments DWC - LLC, Dubai   Threat to going concern for Cosmopolitan Industries (Pvt.) Limited is minimal as key customers will not move for backward integration and low bargaining power of the suppliers. As well, the company has strong technic know-how and high products differentiation. | |
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| Climate change issue | Businesses and operations of Cosmopolitan Industries (Pvt.)  isn’t being a affected by climate change. | |  |

# Follow-up of Resolutions:

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| **Topic** | **Resolution** | **Follow-up** |
| Fraud queries | ET will conduct a separate fraud query meeting with Management and Those in-  Charge with Governance. | Performed. |

~**END**~