

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF
AGRO TECH FOODS (BANGLADESH) PVT. LTD.
AS AT AND FOR THE YEAR ENDED 31 MARCH 2023**



AHMED MASHUQUE & CO., *Chartered Accountants*

Navana Obaid Eternia
28-29 Kakrail (Level # 05, 13 & 14)
VIP Road, Dhaka-1000, Bangladesh
Tel : +880-2-58316931-39, Fax: +880-2-58316929
Email: info@ahmedmashuque.com, **Web : www.ahmedmashuque.com**
Member Firm of Crowe Global
www.growe.com



AHMED MASHUQUE & CO.

Chartered Accountants

Navana Obaid Eternia
28-29 Kakrail (Level # 05, 13 & 14)
VIP Road, Dhaka-1000, Bangladesh
Tel: +880-2-58316931-39
Fax: +880-2-58316929
Email: info@ahmedmashuque.com
Web: www.ahmedmashuque.com

INDEPENDENT AUDITORS' REPORT to the shareholders of Agro Tech Foods (Bangladesh) Private Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Agro Tech Foods (Bangladesh) Private Limited, (the company), which comprise the statement of financial position as at 31 March 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 31 March 2023, and of 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) together with ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 International Financial Reporting Standards (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 charge with governance are also 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.

Agf



AHMED MASHUQUE & CO.

Chartered Accountants

www.ahmedmashuque.com

As part of an audit in accordance with ISAs, we exercise professional judgement 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. 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 purposes 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: 25 April 2023
Dhaka

Ahmed Mashuque & Co.

Chartered Accountants

Mashuque Ahmed FCA

Senior Partner and CEO

Enrolment number: 0690

DVC:2305020690AS603050

Asif

Agro Tech Foods (Bangladesh) Private Limited
Statement of financial position
As at 31 March 2023

Particulars	Notes	Amount in Taka	
		31-Mar-23	31-Mar-22
Assets			
Non Current assets			
Property, plant and equipment	4.00	118,088,822	113,629,396
Capital work In progress	5.00	-	11,593,562
Deferred tax assets	6.00	18,452,708	17,464,314
		136,541,530	142,687,272
Current assets			
Inventories	7.00	18,838,233	14,720,196
Account receivable		710,036	20,196
Advances, deposits and prepayments	8.00	3,771,734	3,830,026
Advance income tax	9.00	2,025,731	1,063,840
Cash and cash equivalents	10.00	33,589,049	36,327,899
		58,934,783	55,962,157
Total assets		195,476,313	198,649,429
Shareholder's equity and Liabilities			
Shareholder's equity			
Share capital	11.00	249,795,410	249,795,410
Retained earnings		(64,388,203)	(56,124,384)
		185,407,207	193,671,026
Liabilities			
Current liabilities			
Trade and other payable	12.00	4,528,406	4,673,325
Advance from customer	13.00	4,868,187	-
Provision for income tax	14.00	672,513	305,078
		10,069,106	4,978,403
Total shareholder's equity and liabilities		195,476,313	198,649,429

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

D.K. Islam
Director



Sajid
Director

Signed in terms of our report of even date annexed.

Dated: 25 April 2023
Dhaka.

Ahmed Mashuque & Co.
Ahmed Mashuque & Co.
Chartered Accountants
Mashuque Ahmed FCA
Senior Partner and CEO
Enrolment number: 0690
DVC:2305020690AS603050



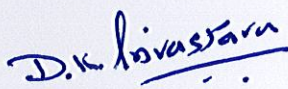
Asif

Agro Tech Foods (Bangladesh) Private Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2023

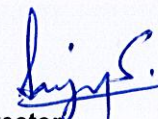
Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Revenue	15.00	42,911,646	30,957,684
Total Revenue		42,911,646	30,957,684
Expenses			
Cost of material consumed	16.00	33,064,231	19,797,573
Changes in inventories of finished goods	17.00	(2,685,135)	277,695
Manufacturing expense	18.00	3,167,325	3,335,619
Administrative expense	19.00	4,997,701	5,127,891
Selling and distributing expense	20.00	749,699	736,206
Employee benefits expense	21.00	5,159,840	5,513,604
Depreciation	4.00	7,799,321	6,833,195
Foreign exchange (gain)/ loss		(456,559)	223,004
Total Expense		51,796,424	41,844,787
Profit/(Loss) before tax		(8,884,778)	(10,887,103)
Income tax expense		(620,959)	(443,903)
Current tax expense		367,435	162,229
Deferred tax (Income)/ expense		(988,394)	(606,132)
Profit /(Loss) after tax		(8,263,819)	(10,443,200)
Other comprehensive income		-	-
Total comprehensive income/(loss)		(8,263,819)	(10,443,200)

(Transferred to statement of changes in equity)

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

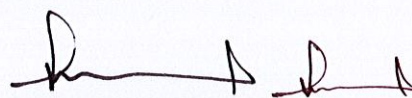

Director




Director

Signed in terms of our report of even date annexed.

Dated: 25 April 2023
Dhaka.


Ahmed Mashuque & Co.
Chartered Accountants
Mashuque Ahmed FCA
Senior Partner and CEO
Enrolment number: 0690
DVC:2305020690AS603050



Agro Tech Foods (Bangladesh) Private Limited
Statement of changes in equity
As at 31 March 2023

Amount in Taka

Particulars	Share capital	Share Money Deposit	Retained earnings	Total
Balance as at 01 April 2021	179,795,410	20,000,000	(45,681,184)	154,114,226
Addition during the year	70,000,000	50,000,000	-	120,000,000
Transfer to share capital		(70,000,000)	-	(70,000,000)
Total comprehensive income	-	-	(10,443,200)	(10,443,200)
Balance as at 31 March 2022	249,795,410	-	(56,124,384)	193,671,026
Balance as at 01 April 2022	249,795,410	-	(56,124,384)	193,671,026
Total comprehensive income	-	-	(8,263,819)	(8,263,819)
Balance as at 31 March 2023	249,795,410	-	(64,388,203)	185,407,207

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

D.K. Dasgupta
 Director



[Signature]
 Director

Dated: 25 April 2023
 Dhaka.

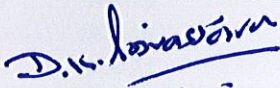


Asif

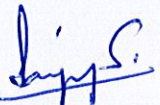
Agro Tech Foods (Bangladesh) Private Limited
Statement of cash flows
For the year ended 31 March 2023

Particulars	Amount in Taka	
	2022-2023	2021-2022
A. Cash flows from operating activities		
Profit/(Loss) before tax	(8,884,778)	(10,887,103)
Adjustment of non cash items		
Depreciation	7,799,321	6,833,195
Prior period adjustment	-	-
	(1,085,457)	(4,053,908)
Changes in working capital		
Inventories	(4,118,037)	(1,176,398)
Accounts receivable	(689,840)	1,070,191
Advances, deposits and prepayments	58,292	(1,680,657)
Trade and Other Payable	5,090,703	1,718,062
Advance income tax	(961,891)	(444,937)
Income tax expense	(367,435)	(162,229)
	(988,208)	(675,968)
Net cash flow from operating activities	(2,073,666)	(4,729,876)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(665,185)	(22,479,171)
Capital work in progress	-	(11,593,562)
Net cash used in investing activities	(665,185)	(34,072,733)
C. Cash flows from financing activities		
Increase of share capital	-	70,000,000
Increase/(Decrease) of share money deposits	-	(20,000,000)
D. Net cash generated from financing activities	-	50,000,000
E. Net cash changes in cash and cash equivalent (A+B+C)	(2,738,850)	11,197,391
F. Opening cash and cash equivalents	36,327,899	25,130,508
Closing cash and cash equivalents	33,589,049	36,327,899

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


Director




Director

Dated: 25 April 2023
Dhaka.



Asif

Agro Tech Foods (Bangladesh) Private Limited
Notes, comprising significant accounting policies and other explanatory information
As at and for the year ended 31 March 2023

1.00 Company and its activities

1.01 Background

Agro Tech Foods (Bangladesh) Pvt. Ltd. ("the Company") was registered in Bangladesh on 8 April 2012 with an authorized share capital of Tk 50,000,000 divided into 5,000,000 ordinary shares of Tk 10 each. In 2014, the Company increased its authorized share capital to Tk 200,000,000 divided into 20,000,000 ordinary shares of Tk 10 each. In 2021, the Company further increased its authorized capital to 350,000,000 divided into 35,000,000 shares ordinary shares of Tk 10 each. It is a subsidiary company of Agro Tech Foods Limited, India.

1.02 Nature of business

The company is mainly engaged in the manufacturing and trading of ACT II popcorn.

1.03 Registered office

The address of the registered office of the company is Sakaswar, Madhyapara, Kaliakoir, Gazipur-1750, Dhaka Bangladesh.

2.00 Basis of preparation

2.01 Statement of compliance

These financial statements have been prepared and the disclosure of information are made in accordance with International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Financial Reporting Council, the Companies Act 1994, and other relevant local Laws as applicable. The statement of financial position and the statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standard (IAS) 1: Presentation of Financial Statements on accrual basis of accounting following going concern assumption under generally accepted accounting principles.

Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-24	Related Party Disclosures
IAS-32	Financial Instruments: Presentation
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangibles Assets
IAS-39	Financial Instruments: Recognition and Measurement
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contracts with Customer

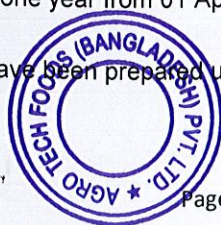
2.02 Reporting period

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements cover one year from 01 April 2022 to 31 March 2023 consistently.

2.03 Basis of accounting

The financial statements have been prepared under the accrual basis of accounting.

D. H. Islam



[Signature]

2.04 Going concern

The financial statements have been prepared on going concern basis. As per the management assessment, there is no material uncertainties related to events or conditions which may cast significant doubt upon the companies ability to continue as a going concern.

2.05 Basis of measurement

The financial statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the accompanying notes and, therefore, do not take into consideration the effect of inflation.

2.06 Date of authorization

The Board of Directors has authorized these financial statements on 25 April 2023

2.07 Use of estimates and judgments

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

2.08 Functional and presentation currency

These financial statements are presented in Bangladesh currency (Taka), which is both functional currency and presentation currency of the company. All amount have been rounded off to the nearest Taka unless otherwise indicated.

2.09 Components of financial statements

The financial statements comprises of:

- (i) Statement of financial position as at 31 March 2023;
- (ii) Statement of profit or loss and other comprehensive income for the period from 01 April 2022 to 31 March 2023;
- (iii) Statement of changes in equity for the year ended 31 March 2023;
- (iv) Statement of cash flows for the period from 01 April 2022 to 31 March 2023;
- (v) A summary of significant accounting policies and other explanatory information as at 31 March 2023 and for the year ended 31 March 2023.

2.10 Use of estimates and judgments

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Judgements

Information about judgments made in applying accounting policies that have most significant effect on the amount recognized in the financial statements is included in the following notes:

- Note : 3.01 Property, plant and equipment
Note : 3.02 Inventories

Assumption and estimation uncertainties

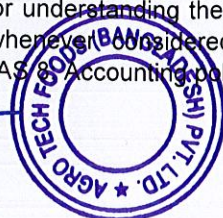
Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year is included in the following notes:

- Note # 6.00 Deferred tax assets
Note # 14.00 Provision for income tax
Note # 12.01 Accrued Expenses

2.11 Comparative information

Comparative information have been disclosed for all numerical information in the financial statements when it is relevant for understanding the current period's financial statements. Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS 8 Accounting policies, Changes in Accounting Estimates and Errors.

D.K. Islam



Asif



Signature

2.12 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.13 Offsetting

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends to either to settle on the net basis, or to realize the assets and to settle the liabilities simultaneously.

2.14 Transactions in Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Taka at the exchange rate using the closing rate. Foreign currency exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period using closing rate are recognized in the statement of profit or loss and other comprehensive income as per IAS 21: "The Effects of Changes in Foreign Exchange Rates".

3.00 Significant accounting policies

3.01 Property, plant and equipment

a) Recognition and measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially recognized at its cost of acquisition and subsequently stated at cost less accumulated depreciation and impairment losses, if any, in accordance with IAS-16: Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Maintenance, renewals and betterment that enhance the economic useful life of the property, plant and equipment that improve the capacity and quality or reduce substantially the operating cost or administration expenses are capitalized by adding it to the related property, plant and equipment. If any significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment.

b) Subsequent cost

The cost of replacing or up-gradation of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss and other comprehensive income as incurred.

Capital work in progress (CWIP) as the CWIP asset has not yet been ready for use. Depreciation on each class of property, plant and equipment, CWIP is recognized in the statement of profit or loss and other comprehensive income based on the methods mentioned in the following table.

c) Depreciation

Depreciation on property, plant and equipment is recognized against profit or loss on a straight line method over the estimated useful lives of each part of an item of property, plant and equipment as this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the assets. Depreciation is charged from the date of acquisition and no depreciation is charged in the month of disposal. The depreciation rates are as follows:

<u>Assets Category</u>	<u>Estimated lifetime</u>
Building	20 years
Plant & machinery	10 years
Factory equipment	20 years
Equipment and appliances	5 years
Computer and peripherals	5 years
Furniture and fixture,	5 years

Dr. Jaimen



Asif
Jaimen

d) Impairment

The carrying value of the Company's assets is reviewed to determine whether there is any indication of impairment at the reporting date. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income in the year concerned.

e) Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss and other comprehensive income as applicable. When revalued assets are disposed of, the amounts included in the revaluation surplus are transferred to retained earnings.

3.02 Inventories

Inventories comprise of Raw Materials, Packing Materials, Work in Process, Finished Goods, Semi Finished Goods, Inventory in Transit, Spare Parts and General Stores. These inventories except inventory in transit are valued at lower of cost and net realizable value. The cost of inventories is determined by using the weighted average cost formula, and it includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value as per IAS-02 Inventories. In the case of finished goods and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

3.03 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of profit or loss and other comprehensive income.

3.04 Cash and bank balances

Cash and bank balances includes banks on current and deposit accounts, which held and available for use by the company without any restriction.

3.05 Statement of cash flows

Cash flow from operating activities have been prepared and presented under the direct method in accordance with the requirements of IAS 7 Statements of Cash flows.

3.06 Employee benefit scheme

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

Short-term employee benefits

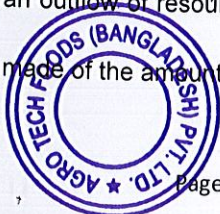
Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related services provided.

3.07 Provisions

In accordance with the guidelines as prescribed by IAS 37: *Provisions, contingent liabilities and contingent assets* provisions are recognized when all the following criteria are met :

- When the company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

Dr. Jaisan



At
Sigs

3.08 Current tax

As per International Accounting Standards (IAS) 12: "Income Tax", income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity or in other comprehensive income (OCI), in which case it is recognized in equity.

Deferred Tax Assets

As per International Accounting Standards (IAS) 12: "Income Tax", deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. It is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized and such reductions are reversed when the probability of future taxable profits improve.

Deferred Tax Liabilities

As per International Accounting Standards (IAS) 12: "Income Tax", deferred tax liabilities are the amount of income tax payable in the future periods in respect of taxable temporary differences. Provision for deferred tax liabilities is made at the rate applied on the amount of temporary difference between accounting base and tax base of assets and liabilities.

3.08 Finance costs

Finance costs comprise interest expense on short term borrowings.

3.09 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The company initially recognizes receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Accounts receivable

Accounts receivable is stated net of provisions, if any.

Cash and bank balances

Cash and bank balances consist cash in hand, bank deposits, which were held and available for use of the company without any restriction.

Financial liability

The company initially recognizes all financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.


The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Trade and other payables

Trade and other payables and other financial liabilities are recognized when contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.10 Revenue recognition

The Company has applied IFRS 15 "Revenue from Contracts with Customers" for annual reporting periods beginning on or after 01 January 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied.

D.K. Islam


Ast

Islam

The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer, so the concept of control replaces the existing concept of risks and rewards. This standard combines, enhances and replaces specific guidance on recognizing revenue with a single standard. A new five-step process must be applied before revenue from contract with customer can be recognized:

- i. Identify the contracts with customers;
- ii. Identify the separate performance obligation;
- iii. Determine the transaction price of the contract;
- iv. Allocate the transaction price to each of the separate performance obligations; and
- v. Recognize the revenue as each performance obligation is satisfied.

3.11 Events after the reporting date

In accordance with IAS 10: *Events after the reporting period*, amount recognized in the financial statements are adjusted for event after the reporting period that provide additional evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for event after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

3.12 Share capital

Paid up capital represents total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.13 Earning per share

The Company calculates its earnings per share in accordance with IAS 33: *Earning per share*.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.14 Financial risk management policies

The management of the company has the overall responsibility for the establishment and oversight of the company's risk management framework. Financial risk management policies require establishing standard procedures to identify and analyze the main risks to which the company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact.

D.K. Islam



Signature



AMC

4 : Property, plant and equipment

Agro Tech Foods (Bangladesh) Private Limited
Schedule of property, plant and equipment
As at 31 March 2023

Assets Category	Cost		Depreciation		Depreciation		Amount in Taka	
	As at 01 April 2022	Addition during the year	As at 31 March 2023	Rate %	As at 01 April 2022	Charged during the year	As at 31 March 2023	Carrying Value As at 31 March 2022
Land	41,683,158	150,000	41,833,158	0	-	-	41,833,158	41,683,158
Building	67,752,734	-	67,752,734	5	16,663,145	3,402,198	47,687,391	51,089,589
Plant and machinery	35,545,092	12,108,747	47,653,838	10	14,917,807	4,287,624	19,205,431	20,627,285
Equipment and appliances	118,182	-	118,182	20	103,454	3,200	106,654	14,728
Furniture's and fixtures	744,543	-	744,543	20	586,071	63,116	649,187	158,472
Computer and peripherals	281,360	-	281,360	20	225,196	43,183	268,379	56,164
	146,125,069	12,258,747	158,383,815		32,495,673	7,799,321	40,294,994	113,629,396

5: Capital work in progress

Assets Category	As at 01 April 2022	Addition during the year	Transfer to PPE	Rate %	As at 31 March 2023	As at 31 March 2022
Plant and machinery	11,593,562	-	11,593,562	-	-	11,593,562
	11,593,562	-	11,593,562		-	11,593,562

[Handwritten signature]



[Handwritten signature]

[Handwritten signature]

	Amount in Taka		
	31-Mar-23	31-Mar-22	
00 Deferred tax assets			
Deferred tax assets	27,927,634	27,900,264	
Deferred tax liabilities	(9,474,926)	(10,435,950)	
Net deferred tax assets	18,452,708	17,464,314	
00 Inventories			
Raw materials	12,906,870	11,691,200	
Packing materials	3,246,228	3,028,996	
Finished goods	2,685,135	-	
	18,838,233	14,720,196	
00 Advances, deposits and prepayments			
Advances			
Advance to employee	40,000	40,000	
VAT current account	2,651,215	2,683,224	
Deposits			
Dhaka Palli Vidyut Samiti for electricity	593,600	593,600	
Prepayments			
Prepayment-Insurance	486,919	513,202	
	3,771,734	3,830,026	
00 Advance income tax			
Opening balance	1,063,840	618,903	
Addition during the year	961,891	444,937	
From export u/s 53BB	885,006	-	
From import of RM u/s 53	76,885	-	
Closing balance	2,025,731	1,063,840	
00 Cash and cash equivalent			
HSBC Bank Ltd.	32,965,361	35,703,021	
Eastern Bank Limited	623,688	624,878	
Total cash at bank	33,589,049	36,327,899	
00 Share capital			
Authorized share capital	350,000,000	350,000,000	
35,000,000 ordinary shares of Taka 10 each			
Issued, subscribed & paid up share capital	249,795,410	249,795,410	
24,979,541 ordinary shares of Taka 10 each			
Shareholding position of the company is as follows :			
	Number of Shares	Value in Taka	Value in Taka
Agro Tech Foods Limited, India	24,979,041	249,790,410	249,790,410
Mr. Sanjay Srivastava	500	5,000	5,000
	24,979,541	249,795,410	249,795,410
00 Trade and other payable			
Accounts payable	926,571	1,957,750	
Accrued Expenses (Note 12.01)	3,601,835	2,715,575	
	4,528,406	4,673,325	
01 Accrued Expenses			
Audit, Legal and professional fees	491,000	381,000	
Witholding tax and VAT payable	327,075	377,881	
Packaging Development	-	160,875	
Security charges	53,130	48,300	
Employee benefits expense	2,356,439	1,607,289	
Provisions for expenses	299,191	100,230	
Electricity expense	75,000	40,000	
	3,601,835	2,715,575	

D.K. Anwar



13.00 Advance from customer
Agro Tech Foods Limited

The amount has been received through banking channel.

4,868,187	1,606,874
4,868,187	1,606,874

14.00 Provision for income tax

Opening balance
Add: Net provision made during the year

305,078	145,946
367,435	159,132
672,513	305,078

15.00 Sales revenue

Domestic sales
Export sales

Amount in Taka	
2022-2023	2021-2022
15,172,782	7,438,488
27,738,864	23,519,196
42,911,646	30,957,684

16.00 Cost of material consumed

Opening balance
Raw and packing material
Add: Purchases
Purchase during the year
Less: Closing inventory
Raw and packing material
Total

13,266,103	13,266,103
35,951,226	21,251,666
(16,153,098)	(14,720,196)
33,064,231	19,797,573

17.00 Changes in inventories of finished goods

Opening inventory of finished goods
Less: closing inventory of finished goods
Total

-	277,695
2,685,135	-
(2,685,135)	277,695

18.00 Manufacturing expense

Insurance expense
Consumable expenses
Electricity expenses
Laboratory expense
Manpower supply
Diesel & Fuel

581,334	442,083
47,174	749,582
736,573	775,690
276,973	255,467
1,266,722	1,005,597
258,550	107,200
3,167,325	3,335,619

19.00 Administrative expenses

Travelling and conveyance
Audit fees
Professional fees
License & subscription fees
Rates and taxes
Bank charges
Printing and stationery
Legal charges
Pest control expenses
Security charges
Communication expenses
Repair and maintenance
Insurance expense

Amount in taka	
2022-2023	2021-2022
26,678	23,740
400,000	400,000
1,411,000	1,622,500
63,785	63,635
51,660	40,804
196,553	273,924
4,367	6,894
6,077	166,254
269,636	310,710
584,430	472,420
3,441	52,840
384,055	380,907
1,596,020	1,313,263
4,997,701	5,127,891

20.00 Selling and distributing expense

Freight outward
C&F expenses

550,190	419,176
199,509	317,030
749,699	736,206



21.00 Employee benefits expense

Salary and allowances
Contribution for gratuity
Staff welfare

4,636,916	4,642,622
509,234	861,667
13,690	9,315
5,159,840	5,513,604

22.00 Related party transaction

During the year the company carried out a number of transactions with related parties in the normal course of business. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS 24: *Related Party Disclosure*.

Name of the related party transaction	Nature of transaction	Relationship	Transaction during the year 2022-2023	Closing Balance
			Transaction value	
Agro Tech Foods Limited	Sales	Parent	27,738,864	-
Agro Tech Foods Limited	Advance against sales	Parent	-	4,868,187

23.00 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The company has exposure to the following risks from its use of financial instruments:

- Credit risks
- Liquidity risks
- Market risk
- Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars

	As at 31 March 2023	As at 31 March 2022
Bank balances(except cash in hand)	33,589,049	36,327,899
Advances, deposits and prepayments	3,771,734	3,830,026
Account receivable	710,036	20,196
	38,070,819	40,178,121

• Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity (cash and bank balances) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses.

Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the Company may get support from the shareholders in the form of shareholder's loan/capital contribution.





