

**INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF
AGRO TECH FOODS (BANGLADESH) PVT. LTD.
AS AT AND FOR THE YEAR ENDED 31 MARCH 2020**



AHMED MASHUQUE & CO., Chartered Accountants

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



Independent Auditors' Report
to
The Shareholders
of
AGRO TECH FOODS (BANGLADESH) PVT. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Agro Tech Foods (Bangladesh) Pvt. Ltd., which comprise the statements of financial position as at 31 March 2020, 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 true and fair view, in all material respects, the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 other ethical responsibilities in accordance with these requirements. 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 and fair presentation of these financial statements 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 charged 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.



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 achieves 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 explanations 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 company's 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: 18 May 2020
Dhaka.


Ahmed Mashuque & Co.
Chartered Accountants

Agro Tech Foods (Bangladesh) Pvt. Ltd.
Statement of financial position
As at 31 March 2020

Particulars	Notes	Amount in Taka	
		31-Mar-20	31-Mar-19
Assets			
Non Current assets			
Property, plant and equipment	4	102,439,140	108,954,594
Deferred Tax Assets	5	16,944,881	13,359,758
		119,384,021	122,314,352
Current assets			
Inventories	6	5,100,430	2,608,816
Account receivable		21,364	-
Advances, deposits and prepayments	7	2,602,831	939,305
Advance income tax	8	118,436	65,157
Cash and cash equivalents	9	17,875,067	7,968,041
		25,718,128	11,581,319
Total assets		145,102,149	133,895,671
Shareholder's equity and Liabilities			
Shareholder's equity			
Share capital	10	179,795,410	160,000,000
Retained earnings		37,083,165	(27,427,839)
		142,712,245	132,572,161
Liabilities			
Current liabilities			
Trade and other payable	11	2,381,247	1,321,861
Provision for income tax	12	8,657	1,649
		2,389,904	1,323,510
Total shareholder's equity and liabilities		145,102,149	133,895,671

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


 Director




 Director

Signed in terms of our report of even date annexed.

Dated: 18 May 2020
 Dhaka.


 Ahmed Mashuque & Co.
 Chartered Accountants




 Asif

Agro Tech Foods (Bangladesh) Pvt. Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
Revenue			
Total Revenue	13	7,008,432	111,020
Expenses		7,008,432	111,020
Cost of material consumed			
Changes in inventories of finished goods	14	4,211,542	324,226
Manufacturing expense		(37,144)	(43,935)
Administrative expense	15	1,359,369	450,155
Selling and distributing expense	16	3,990,056	3,902,256
Employee benefits expense	17	693,788	391,986
Depreciation	18	3,450,028	2,404,297
Foreign exchange (Gain)/ loss		6,544,275	6,409,071
Total Expense	19	20,241,873	13,581,672
Profit/(Loss) before tax		(13,233,441)	(13,470,652)
Less: Income tax expense			
Income tax expense		7,008	1,649
Deferred tax (Income)/ expense		(3,585,123)	(3,797,290)
Profit/(Loss) after tax		(9,655,326)	(9,675,011)
Add: Other comprehensive income		-	-
Total comprehensive income/(loss)		(9,655,326)	(9,675,011)
(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: 18 May 2020
 Dhaka.


 Ahmed Mashuque & Co.
 Chartered Accountants



Agro Tech Foods (Bangladesh) Pvt. Ltd.
Statement of changes in equity
As at 31 March 2020

Particulars	Amount in Taka		
	Share capital	Retained earnings	Total
Balance as at 01 April 2018			
Addition during the year	150,000,000	(17,750,751)	132,249,249
Prior year adjustment	10,000,000		10,000,000
Total comprehensive income	-	(2,077)	(2,077)
		(9,675,011)	(9,675,011)
Balance as at 31 March 2019	160,000,000	(27,427,839)	132,572,161
Balance as at 01 April 2019			
Addition during the year	160,000,000	(27,427,839)	132,572,161
Total comprehensive income	19,795,410	-	19,795,410
	-	(9,655,326)	(9,655,326)
Balance as at 31 March 2020	179,795,410	(37,083,165)	142,712,245

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

Director



[Signature]
Director

Signed in terms of our report of even date annexed.

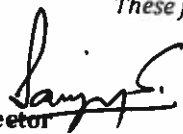
[Signature]
Dated: 18 May 2020
Dhaka.




Agro Tech Foods (Bangladesh) Pvt. Ltd.
Statement of cash flows
For the year ended 31 March 2020

Particulars	Amount in Taka	
	2019-2020	2018-2019
A. Cash flows from operating activities		
Profit/(Loss) before tax	(13,233,441)	(13,470,652)
Adjustment of non cash items		
Depreciation	6,544,275	6,409,071
	(6,689,166)	(7,061,581)
Changes in working capital		
Inventories	(2,491,614)	(356,307)
Accounts receivable	(21,364)	
Advances, deposits and prepayments	(1,663,526)	265,832
Trade and Other Payable	1,066,394	(20,074)
Advance income tax	(53,279)	-
Income tax expense	(7,008)	(3,726)
	(3,170,397)	(114,275)
Net cash flow from operating activities	(9,859,563)	(7,175,856)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(28,821)	(2,538,245)
Capital work in progress	-	-
Net cash used in investing activities	(28,821)	(2,538,245)
C. Cash flows from financing activities		
Increase of share capital	19,795,410	10,000,000
	19,795,410	10,000,000
Net cash generated from financing activities	19,795,410	10,000,000
Net cash decrease in cash and cash equivalent	9,907,026	285,899
Cash and cash equivalents at the beginning of the year	7,968,041	7,682,142
Cash and cash equivalents at the end of the year	17,875,067	7,968,041

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


Director




Director

Signed in terms of our report of even date annexed.

Dated: 18 May 2020
Dhaka.



Act

Agro Tech Food (Bangladesh) Pvt. Ltd.
Notes, comprising significant accounting policies and other explanatory information
As at and for the year ended 31 March 2020

1 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. It is a subsidiary company of Agro Tech Foods Limited, India.

1.02 Nature of business

The company is mainly engaged in the production 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 Basis of preparation

2.01 Statement of compliance

The financial statements have been prepared in compliance with Bangladesh International Reporting Standards (IFRS) and the requirements of the Companies Act, 1994 and other relevant local laws and regulations as applicable. IFRS comprise of

- International Financial Reporting Standards (IFRS);
- International Accounting Standards (IAS); and
- Interpretations.

The titles and format of these financial statements follow the requirements of IFRS which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management IFRS title gives better presentation to the shareholders.

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 2019 to 31 March 2020 consistently.

2.03 Basis of accounting

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

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 under the historical cost convention.

2.06 Date of authorization

The Board of Directors has authorized these financial statements on 13 May 2020.

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.



Handwritten signature.

2.09 Components of financial statements

The financial statements comprises of:

- (i) Statement of financial position as at 31 March 2020;
- (ii) Statement of profit or loss and other comprehensive income for the period from 01 April 2019 to 31 March 2020;
- (iii) Statement of changes in equity for the period ended 31 March 2020;
- (iv) Statement of cash flows for the period from 01 April 2019 to 31 March 2020;
- (v) A summary of significant accounting policies and other explanatory information as at 31 March 2020 and for the period ended 31 March 2020.

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 # | 3.03 | 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 # | 5 | Deferred tax assets |
| Note # | 12 | Provision for income |
| Note # | 11.01 | 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.

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.

3.00 Significant accounting policies

3.01 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are stated at cost net of accumulated depreciation. Cost of an item of property, plant and equipment comprises its net purchase price after deducting trade discount and rebates, import duties, non refundable taxes and any cost that are directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Subsequent cost

The cost of replacing component 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 embodied within the component will flow to the company and its cost can be measured reliably.



Handwritten signature.

Handwritten signature.

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

d) Retirement and disposal

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02 Capital work in progress

Capital work in progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

3.03 Inventories

Inventories are valued in accordance with IAS 2: *Inventories* at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sales.

3.04 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.

3.05 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.

3.06 Finance costs

Finance costs comprise interest expense on short term borrowings.

3.07 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.



Ne

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.

Advances, deposits and prepayments

Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment.

Deposits

Deposits measured at cost value.

Prepayments

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

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.

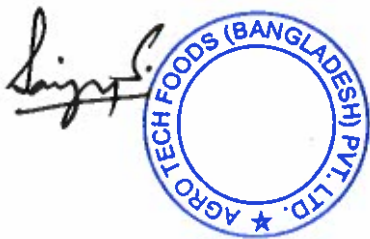
The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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.

3.08 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.



Handwritten signature.

Handwritten signature.

Handwritten signature.

3.09 Revenue recognition

Revenue is recognized in accordance with IFRS 15 : Revenue from contract with custoemr i.e; as and when the entity satisfies the performance obligation based on the contract(s) with a customer (in writing, orally or in accordance with other customary business practice) where the parties are committed to perform their obligation in the contract by allocating transaction price to the performance obligation as determined in the contract.

3.10 Statement of cash flows

Statement of cash flows is prepared in accordance with IAS 7: *Cash Flow Statement* under indirect method.

3.11 Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into Bangladeshi Taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bangladeshi Taka at the exchange rates ruling at the statement of financial position date. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Bangladeshi Taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income.

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 Taxation

Income tax expenses comprises current and deferred tax . Current tax and deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity in which case it is recognized in equity.

Provision for tax expense has been made as per Income Tax Ordinance, 1984.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss.

- temporary differences related to investment in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future, and

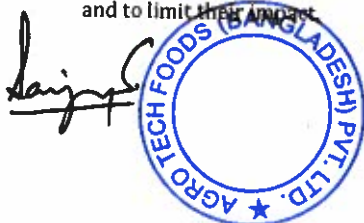
Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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.



Handwritten signature or initials.

Handwritten signature or initials.

	Amount in Taka	
	31-Mar-20	31-Mar-19
4 Property, plant and equipment	102,439,140	108,954,594

This represents the written down value of the property, plant and equipment held by the company as at the date of Statement of financial position. Detail has been given in Annexure 1.

5 Deferred tax assets		
Deferred tax assets	29,508,298	24,279,864
Deferred tax liabilities	(12,563,417)	(10,920,106)
Net deferred tax assets	16,944,881	13,359,758

6 Inventories		
Raw Material	2,962,286	1,609,021
Packing Material	2,032,898	931,693
Finished goods	105,246	68,102
	5,100,430	2,608,816

7 Advances, deposits and prepayments		
Advances		
Advances to Supplier	1,043,009	-
Advance to employee	40,000	40,000
Other advance	394,388	-
VAT current account	175,655	189,633
Balance with VAT Current Accounts	232,247	-
Deposits		
Dhaka Palli Vidyut Samiti for electricity	593,600	593,600
Prepayments		
Prepayment-Insurance	123,932	116,072
	2,602,831	939,305

Balance with VAT current account BDT 232,247 represents the closing balance of current account as at 30 June 2019. The company has already applied to the authority to adjust the balance.

8 Advance income tax		
Opening balance	65,157	69,526
Addition during the year	53,279	-
Less: Adjustment provision for income tax	-	(4,369)
Closing balance	118,436	65,157

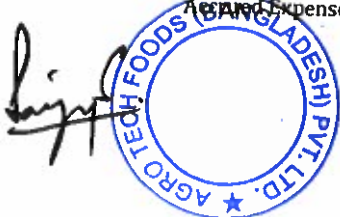
9 Cash and cash equivalent		
Cash at bank	17,875,067	7,968,041

10 Share capital		
Authorized share capital		
20,000,000 ordinary shares of Taka 10 each	200,000,000	200,000,000
Issued, subscribed & paid up share capital		
17,979,541 ordinary shares of Taka 10 each	179,795,410	160,000,000

Shareholding position of the company is as follows:

	Number of Shares	Value in Taka	Value in Taka
Agro Tech Foods Limited, India	17,979,041	179,790,410	159,995,000
Mr. Sanjay Srivastava	500	5,000	5,000
	17,979,541	179,795,410	160,000,000

11 Trade and other payable		
Accounts payable	1,243,690	195,490
Accrued Expenses (Note 11.01)	1,137,558	1,126,371
	2,381,247	1,321,861



Handwritten signature/initials.

Handwritten signature/initials.

11.01 Accrued Expenses

Audit fees	360,000	360,000
Legal and professional fees	256,000	291,000
TDS & VDS Payable	197,919	-
Other taxes payable	33,584	136,027
Packaging Development	160,875	160,874
Security charges	38,980	32,000
Other payable	55,200	146,470
Electricity expense	35,000	-
	1,137,557	1,126,371

12 Provision for income tax

Opening balance	1,649	2,292
Add: Provision made during the year	7,008	3,726
Less: Adjustment during the year	-	(4,369)
	8,657	1,649

Amount in taka

2019-2020	2018-2019
-----------	-----------

13 Sales revenue

Domestic sales	4,019,998	111,020
Export sales	2,988,434	-
	7,008,432	111,020

14 Cost of material consumed

Opening raw material & packing material	2,540,714	2,228,342
Add: Purchases		
Raw materials	4,405,578	164,897
Packing materials	2,260,434	471,701
Less: Closing inventory		
Raw materials	2,962,286	1,609,021
Packing materials	2,032,898	931,693
Total	4,211,542	324,226

15 Manufacturing expense

Insurance expense	107,549	5,776
Consumable expenses	35,831	-
Electricity expenses	536,843	353,602
Manpower supply	653,146	90,777
Diesel & Fuel	26,000	-
	1,359,369	450,155

16 Administrative expenses

Irrecoverable Input VAT credit	-	154,689
Inventory damage	-	237,458
Travelling and conveyance	49,989	20,294
Audit fees	460,000	460,000
Professional fees	1,584,372	1,629,100
License & subscription fees	97,712	47,485
Rates and taxes	55,296	47,550
Bank charges	120,648	36,245
Printing and stationery	80,207	4,370
Legal charges	11,301	5,000
Pest control expenses	250,680	95,600
Security charges	463,748	467,760
Communication expenses	64,314	59,671
General charges	8,920	85,116
Repair and maintenance	235,592	73,673
Meeting and conference	19,410	13,959
Insurance expense	487,868	464,288
	3,990,056	3,902,256



Handwritten signatures and initials.

17 Selling and distributing expense

Advertisement Expense
 Freight outward
 C&F expenses
 Promotional expense

534,985	391,986
73,800	-
79,207	-
5,796	-
693,788	391,986

18 Employee benefits expense

Salary and allowances
 Staff welfare

3,412,000	2,383,387
38,028	20,910
3,450,028	2,404,297

19 Foreign exchange (Gain)/ loss

29,960	(256,384)
---------------	------------------

20 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 2019-20	
			Transaction value	Closing Balance
Agro Tech Foods Limited	Sales	Parent	2,988,435	2,988,435
Agro Tech Foods Limited	Share capital	Parent	19,795,410	19,795,410

21 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:

Signature



Signature

Amir

Particulars	As at 31 March 2020	As at 31 March 2019
Bank balances(except cash in hand)	17,875,067	7,968,041
Advances, deposits and prepayments	2,602,831	939,305
Account receivable	21,364	-
	20,499,262	8,907,346

• **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.

Particulars	As at 31 March 2020	As at 31 March 2019
Trade and other payable	2,381,247	1,321,861
	2,381,247	1,321,861

• **Market risk**

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable level.


Currency risk

Transaction risk

Transaction risk arises from risk of adverse exchange rate movements occurring in the course of normal international transaction.

Interest rate risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimize the risks surrounding interest payments and receipts. The company bears no interest risk


Director




Director





Agro Tech Foods (Bangladesh) Pvt. Ltd.
Schedule of property, plant and equipment
As at 31 March 2020

Annexure 1

Assets Category	Cost			Depreciation			Amount in Taka	
	As at 01 April 2019	Addition during the year	As at 31 March 2020	As at 01 April 2019	Charged during the year	As at 31 March 2020	W.D.V as at 31 March 2020	W.DV as at 31 March 2019
	Land	21,374,850	-	21,374,850	-	-	-	21,374,850
Building	66,524,668	-	66,524,668	6,633,162	3,326,453	9,959,615	56,565,053	59,891,507
Plant and machinery	32,652,722	21,370	32,674,092	5,619,835	3,020,945	8,640,780	24,033,313	27,032,888
Equipment and appliances	94,731	7,451	102,182	38,152	22,333	60,485	41,697	56,580
Furniture's and fixtures	613,496	-	613,496	208,835	122,699	331,534	281,961	404,661
Computer and peripherals	259,220	-	259,220	65,111	51,844	116,955	142,265	194,109
	121,519,688	28,821	121,548,509	12,565,094	6,544,275	19,109,368	102,439,140	108,954,594



Handwritten signature



Handwritten signature

Handwritten mark

