

**Independent Auditor's Report
And Audited Financial Statements**

Of

AGRICULTURAL MARKETING COMPANY LIMITED

FOR THE YEAR ENDED 30 JUNE 2023

Independent Auditor's Report**To the Shareholders of Agricultural Marketing Company Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **Agricultural Marketing Company Limited** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023, 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 and other explanatory information.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Risk	Our response to the risk
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE was Tk. 189,058,665 as at 30 June, 2023.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 5.00 to the financial statements</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We obtained a listing of capital expenditures incurred during the year and on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.
Valuation of Inventories	
<p>At year end the Company had inventory of BDT 755,751,468 (2022: BDT 645,744,628) held in its factory.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Management apply judgement in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating in the factory. • Evaluating, on a sample basis, whether inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date; and



<p>involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 06.00 to the financial statements</p>	<ul style="list-style-type: none"> Evaluating the adequacy of financial statement disclosure as per IAS - 2.
Revenue Recognition	
<p>At year end the Company reported total revenue of BDT 3,226,363,501 (2022: BDT 3,153,682,330)</p> <p>Revenue recognition has a significant and wide influence on the financial statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customer.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>See Note No. 22.00 to the financial statements</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through to cash receipts and customers' outstanding balances. We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including Mushak 9.1. In addition, we confirmed customer balances at the statement of financial position date. Furthermore, we tested the sales transactions recognized shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods. Finally, we assessed the appropriateness and presentation of disclosures against IFRS 15 Revenue from Contracts with Customers.
Transactions with Related Parties	
<p>We considered the related party transactions to be significant to the audit due to the risk that if these transactions are not conducted at arm's length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the financial statement.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> We obtained an understanding of the process for identifying related party transactions. We verified that the transactions are approved in accordance with internal

<p>The company has issued corporate guarantee to the financiers of two of its associated companies. There is a risk in case those associated companies fail to repay its financiers.</p> <p>Furthermore, for financial reporting purposes, IAS 24 related party disclosure, requires complete and appropriate disclosure of transactions with related parties.</p> <p>See Notes No. 37.00 to the financial statements</p>	<p>procedures including involvement of key personnel at the appropriate level.</p> <ul style="list-style-type: none"> • We evaluated the business rationale of the transactions. • We evaluated the rights and obligations per the terms and conditions of the agreements and assessed whether the transactions were recorded appropriately. • We evaluated the financial position of two of its associated companies for whom corporate guarantees were given and assessed the financial health of the related parties to obtain reasonable assurance about the capacity of those parties to meet the guarantee obligations. • We determined whether the directors have disclosed relationships and transactions in accordance with IAS 24.
<p>Deferred Tax Liability</p>	
<p>Company reported net deferred tax liability totaling BDT 9,766,809 (2022: 7,651,383) as at 30 June 2023</p> <p>Significant judgement is required in relation to deferred tax liability as it is dependent over a number of years.</p> <p>See Notes No. 14.00 to the financial statements</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of deferred tax assets and liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards recognition and measurement of deferred tax liability.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>We also assisted in evaluating the tax implications, the reasonableness of</p>



	<p>estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures as per IAS 12 Income Taxes.</p>
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Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 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 to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

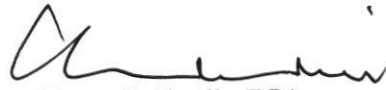
In accordance with the Companies Act 1994, The Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:



- 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 accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by this report are in agreement with the books of accounts; and
- d) The expenditures incurred was for the purposes of the company's business.

The engagement partner on the audit resulting in this independent auditor's report is **Kamrul Abedin FCA**.

M. J. ABEDIN & CO.
Chartered Accountants
Reg No: CAF-001-111



Kamrul Abedin FCA,
Enrollment Number:527
DVC No.: 2311010527AS798473

Dated, Dhaka
28 October 2023


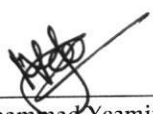
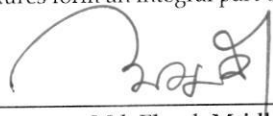
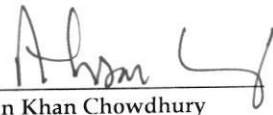
AGRICULTURAL MARKETING COMPANY LIMITED

Statement of Financial Position

As at 30 June 2023


	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
ASSETS			
Non-Current Assets		236,064,923	205,372,419
Property, Plant & Equipments	5.00	189,058,665	196,107,931
Capital Work-in-Progress (Machinery)		36,670,458	-
Right of Use Assets	5.A	10,335,800	9,264,488
Current Assets		1,203,766,601	1,237,214,145
Inventories	6.00	755,751,468	645,744,628
Trade Receivable	7.00	93,711,871	206,547,358
Advance, Deposits & Prepayments	8.00	333,107,068	334,502,298
Cash & Cash Equivalents	9.00	21,196,194	50,419,861
Total Assets		1,439,831,524	1,442,586,564
EQUITY AND LIABILITIES			
Shareholders' Equity		708,702,128	692,721,455
Share Capital	10.00	80,000,000	80,000,000
Share Premium	11.00	40,000,000	40,000,000
Revaluation Surplus	12.00	12,936,953	14,736,005
Retained Earnings	13.00	575,765,175	557,985,450
Non Current Liabilities		17,274,349	14,602,711
Deferred Tax Liability	14.00	9,766,809	7,651,383
Lease Liability	15.00	7,507,540	6,951,328
Current Liabilities		713,855,047	735,262,398
Current portion of Lease Liability	15.00	3,038,760	2,459,689
Short term credit facilities	16.00	615,386,482	625,208,658
Trade Payable	17.00	19,750,737	21,772,012
Provision for expenses	18.00	50,491,925	57,336,263
Security deposit Payable	19.00	19,115,348	22,735,348
Workers' profit participation fund (WPPF) payable	20.00	4,447,279	4,516,114
Unclaimed dividend	21.00	1,624,516	1,234,314
TOTAL LIABILITIES		731,129,396	749,865,109
TOTAL EQUITY AND LIABILITIES		1,439,831,524	1,442,586,564
Net Assets Value (NAV) Per Share with Revaluation	33.00	88.59	86.59
Net Assets Value (NAV) Per Share without Revaluation	33.00	86.97	84.75

The annexed accounting policies, other notes and annexures form an integral part of the financial statements.

			
Muhammad Shariful Islam Company Secretary (CC)	Mohammad Yeamin Chief Financial Officer	Md. Eleash Mridha Managing Director	Ahsan Khan Chowdhury Chairman

As per our report of same date.

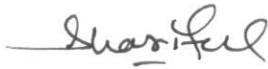
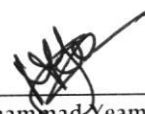

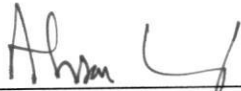
Dated, Dhaka
28 October, 2023


M. J. ABEDIN & CO
Chartered Accountants
DVC: 2311010527AS798473

AGRICULTURAL MARKETING COMPANY LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2023


	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Turnover	22.00	3,226,363,501	3,153,682,330
Cost of Goods Sold	23.00	(2,609,766,920)	(2,557,479,621)
Gross Profit		616,596,581	596,202,709
Expenses		(390,258,029)	(369,053,840)
Administrative Expenses	24.00	85,180,423	78,579,934
Marketing Expenses	25.00	113,753,076	111,599,627
Selling Expenses	26.00	68,479,553	62,123,060
Distribution Expenses	27.00	122,844,977	116,751,219
Operating Profit		226,338,552	227,148,869
Less : Financial Expenses	28.00	(145,724,266)	(141,602,028)
Operating Profit after Financial Expenses		80,614,286	85,546,841
Other Income	29.00	12,778,563	9,291,561
Profit before WPPF & Tax		93,392,849	94,838,402
Contribution to Worker's Participation & Welfare Funds		(4,447,279)	(4,516,114)
Profit Before Taxation		88,945,570	90,322,288
Provision for Income Tax		(45,600,568)	(45,393,961)
Current Tax	30.00	45,249,471	46,879,113
Deferred Tax	14.01	351,097	(1,485,152)
Profit for the year		43,345,002	44,928,327
Earnings per Share (EPS)	31.00	5.42	5.62

The annexed accounting policies, other notes and annexures form an integral part of the financial statements.

			
Muhammad Shariful Islam Company Secretary (CC)	Mohammad Yeamin Chief Financial Officer	Md. Eleash Mridha Managing Director	Ahsan Khan Chowdhury Chairman

As per our report of same date.

Dated, Dhaka
28 October, 2023


M. J. ABEDIN & CO
Chartered Accountants
DVC: 2311010527AS798473

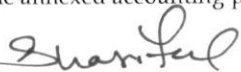
AGRICULTURAL MARKETING COMPANY LIMITED


Statement of Changes In Equity


for the year ended June 30, 2023


Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
	1	2	3	4	5=(1+2+3+4)
Balance as on 30 June 2021	80,000,000	40,000,000	14,769,894	538,599,495	673,369,389
Net Profit after Tax	-	-	-	44,928,327	44,928,327
Depreciation on Revalued Assets	-	-	(57,628)	57,628	-
Adjustment for deferred tax against revaluation of assets (Note: 14)	-	-	23,739	-	23,739
Dividend for the year 2020-2021	-	-	-	(25,600,000)	(25,600,000)
Balance as on 30 June 2022	80,000,000	40,000,000	14,736,005	557,985,450	692,721,455
Balance as on 30 June 2022	80,000,000	40,000,000	14,736,005	557,985,450	692,721,455
Net Profit after Tax	-	-	-	43,345,002	43,345,002
Adjustment for deferred tax against revaluation of assets (Note: 14)	-	-	(1,764,329)	-	(1,764,329)
Excess Depreciation transferred, net of tax (Note: 14.01)	-	-	(34,723)	34,723	-
Dividend for the year 2021-2022	-	-	-	(25,600,000)	(25,600,000)
Balance as on 30 June 2023	80,000,000	40,000,000	12,936,953	575,765,175	708,702,128

The annexed accounting policies, other notes and annexures form an integral part of the financial statements.


Muhammad Shariful Islam
Company Secretary (CC)

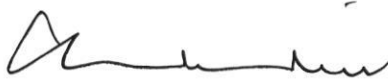

Mahammad Yeamin
Chief Financial Officer


Md. Eleash Mridha
Managing Director


Ahsan Khan Chowdhury
Chairman

As per our report of same date.

Dated, Dhaka
28 October, 2023



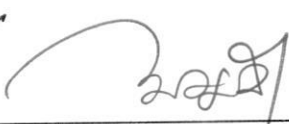
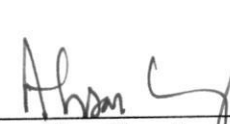

M. J. ABEDIN & CO
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AGRICULTURAL MARKETING COMPANY LIMITED

**Statement of Cash Flows
for the year ended June 30, 2023**


	Amount in Taka		
	30-Jun-23	30-Jun-22	
Cash Flows from Operating Activities :			
Cash received from Customers	3,842,348,027	3,573,485,220	
Cash Paid to Suppliers	(2,369,335,403)	(2,275,891,874)	
Income Tax Paid	(45,006,233)	(40,355,071)	
Cash Paid to Employees & Others	(1,232,594,428)	(1,100,614,987)	
Net cash (used in)/generated from operating activities	195,411,963	156,623,288	
Cash Flows from Investing Activities :			
Acquisition of Property, Plant & Equipment	(9,394,550)	(1,085,900)	
Work in Progress (Machinery)	(36,670,458)	-	
Net cash (used in)/generated from investing activities	(46,065,008)	(1,085,900)	
Cash Flows from Financing activities :			
Short Term Loans	(9,822,176)	28,947,127	
Interest Paid	(141,326,459)	(137,126,556)	
Repayment of Lease Liability	(2,570,010)	(3,049,250)	
Dividend Paid	(25,209,798)	(31,710,307)	
Net cash (used in)/generated from financing activities	(178,928,443)	(142,938,986)	
Increase/(Decrease) in Cash & Cash Equivalents	(29,581,488)	12,598,402	
Cash & Cash Equivalents at Opening	50,419,861	37,542,089	
Effect of exchange rate fluctuations on cash and cash equivalents	357,821	279,370	
Closing cash and cash equivalents at reporting date	21,196,194	50,419,861	
Closing cash and cash equivalents represent:			
Cash and cash equivalents	9.00	21,196,194	50,419,861
		21,196,194	50,419,861
Net Operating Cash Flows Per Share (NOCFPS)	32.00	24.43	19.58

The annexed accounting policies, other notes and annexures form an integral part of the financial statements.

			
Muhammad Shariful Islam Company Secretary (CC)	Mohammod Yeamin Chief Financial Officer	Md. Eleash Mridha Managing Director	Ahsan Khan Chowdhury Chairman

As per our report of same date.

Dated, Dhaka
28 October, 2023


M. J. ABEDIN & CO
Chartered Accountants
DVC: 2311010527AS798473

Agricultural Marketing Company Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2023

1 The Background and Business Activities of the Company

1.01 Status of the Company

Agricultural Marketing Company Limited (AMCL) (herein after referred to as AMCL or the Company) was incorporated in Bangladesh on 15 May 1985 as a Private Limited Company under the Companies Act, 1913 and subsequently on 22 June 1993 the company was converted into a Public Limited Company. The Company went into public in 1996 and its shares are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Company's registered office is situated at PRAN-RFL Centre, 105 Middle Badda, Progoti Sharani, Dhaka-1212 and the industrial unit is located at Ghagra, Ghorashal, Narsingdi, BIN# 000622006-0306

1.02 Nature of Business

The Company is engaged in manufacturing & marketing of various food products and to import, export, buy sell and deal in raw materials of all kinds directly or indirectly connected with the manufacturing of above mentioning products.

2 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards for public interest entities such as listed entities with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

2.02 Other Regulatory Compliance

In addition to the above, Agricultural Marketing Company Limited is also required to comply and has complied with the following laws and regulations:

- The Income Tax Act 2023;
- The Income Tax Rules 1984;
- The Securities and Exchange Commission Act 1993
- The Value Added Tax & Supplementary Duty Act 2012;
- The Value Added Tax & Supplementary Duty Rules 2016;
- The Bangladesh Labor Act 2006 (Amended in 2015);
- Customs Act 1969;
- Negotiable Instrument Act 1881.

2.03 Basis of Measurement

These financial statements have been prepared under the historical cost convention applying accrual basis of accounting in accordance with International Financial Reporting Standards (IFRSs).

2.04 Components of Financial Statements

The financial statements of the Company consist of the following components:

- Statement of Financial Position;
- Statement of Profit or Loss and Other Comprehensive Income;
- Statement of Changes in Equity;
- Statement of Cash Flows and
- Notes to the Financial Statements.



2.05 Use of Estimates and Judgments

The preparation of financial statements in conformity with the IFRS including IASs requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure of contingent assets and liabilities at the date of and during the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates. Judgements: In the process of applying the accounting policies, management has made the judgements, which have the most significant effect on the amounts recognised in the financial statements.

2.06 Reporting Period

These financial statements of the company cover a period of twelve months from 01 July 2022 to 30 June 2023.

2.07 Going Concern

Management has assessed AMCL's ability to continue as a going concern and is satisfied that AMCL has access to resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the ACML's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

2.08 Authorisation for Issue

The financial statements were authorized for issue by the Board of Directors on 28 October 2023.

3.00 Significant Accounting Policies

Following are the accounting policies relating to recognition and valuation of items in financial statements which are material and critical in determining the company's results of operations for the year and as on the financial position date and are consistent with those adopted in the financial statements for the previous year.

3.01 Property, plant and Equipment (PPE)

3.1.1 Recognition and Measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its location and condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Subsequent Costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they incurred.

3.1.3 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is provided using the reducing balance method. No depreciation is charged for land and capital work-in-progress. The Company follows this policy consistently from past years.

Rates of depreciation are as follows:

Particulars	Rate (%)
Factory Building	10
Machinery and Equipments	10
Furniture & Fixture	15
Tools & Accessories	20
Vehicles	10
Office Equipments	10
Plastic Container	20
Other Fixed Assets	20
Right of use assets	Allocated throughout the lease term

Depreciation on addition of fixed assets has been charged in compliance with Para 55 of IAS- 16



3.1.4 Retirements and Disposals

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Profit or Loss & Other Comprehensive Income Statement which is determined with reference to the net book value of the assets and the net sales proceeds.

3.02 Capital work in progress

Machinery and equipment under Property, plant and equipment have been accounted for as capital work-in-progress until installation is completed. Capital work-in-progress is stated at cost and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

3.03 Leases

Leases are recognised as right-of-use assets and corresponding liabilities at the inception of a contract and measured in accordance with IFRS 16. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. At the commencement date, lease liabilities are measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost.

Payments associated with all short-term leases (with a lease term of 12 months or less) and certain leases of all low-value assets are recognised on a straight-line basis as an expense in profit or loss

3.04 Financial Assets

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All others 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, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.05 Inventories

3.5.1 Nature of Inventories

Inventories consist of raw materials (flavour, acid, vitamin premise, aseptic pack, aluminium can, non-dry creamer, foil, coffee powder, food colour, coconut water powder etc.) packing stuff, store and spares etc.

3.5.2 Valuation of Inventory

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined using weighted average method. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in the normal course of business in bringing the inventories to their present location and condition. Costs of conversion include all direct costs excluding interest expense. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. Cost of Finished Goods include material and conversion cost. Cost of work- in process includes material cost.

3.06 Current Assets

a) Trade Receivable

Trade receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the income statement. Subsequent recoveries of amounts previously provided for are credited to the income statement

b) Advance, Deposit Prepayments

After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads Deposits are measured at payment value which are expected to be recovered after completion of certain period or purpose, i.e Utilities Connection Purpose, Deposit against contracts.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges for the period.

