

# **RAHIMA FOOD CORPORATION LTD** **PROFIT AND LOSS ACCOUNT** **FOR THE PERIOD ENDED 30 SEPTEMBER 1996**

		30 Sept 96	30 June 96
	Notes	Taka	Taka
1. Turn Over		65,803,829	203,332,546
2. Less: Cost of Sales	10	60,464,697	183,498,468
3. GROSS PROFIT (1-2)		5,339,132	19,834,078
4. LESS: OPERATIVE EXPENSES			
i) Administrative Expenses	11	475,919	947,823
ii) Administrative Expenses		203,349	653,829
iii) Financing Cost		2,324,671	7,823,017
		3,003,939	9,424,669
5. Add: Non Operating Income	12	2,210,007	—
6. Net Profit (3-4+5)		4,545,200	10,409,409
7. Less: Provision/ Reserve:			
Transfer to Tax Holiday Reserve		—	3,122,822
8. Net Profit After Tax Provision /			
Tax Holiday Reserve		4,545,200	7,286,587
9. Add / (Less):			
Profit Brought Forward From Previous Year		1,292,367	51,149,780
10. Surplus available for appropriation (8+9)		5,837,567	58,436,367
11. Bonus Share Issued		—	57,144,000
12. W.P.P. & W.F.	13	216,438	—
13. Retained Earnings		5,621,129	1,292,367

## **RAHIMA FOOD CORPORATION LTD** **CASH FLOW STATEMENT** **For the period ended 30 September 1996**

	Taka
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Net Profit before Tax	4,545,200
Adjustment to reconcile Net Profit to net cash provided by operating activities:	
Depreciation	932,589
(Increase) / Decrease in Book Debts	3,631,000
(Increase) / Decrease in Inventory	(31,448,289)
(Increase) / Decrease in Advances	—
(Increase) / Decrease in Loan to Associated Companies	2,933,318
(Increase) / Decrease in Deposits & Prepayments	3,029,682
(Increase) / (Decrease) in Current Liabilities (other than cc loan & O/D)	(1,243,580)
Net cash provided / (used) by operating activities	(22,165,280)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Fixed assets addition	(801,600)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Increase / (Decrease) in C.C. Loans & Overdrafts	18,243,500
Decrease in Cash & Bank Balance	178,180
Opening cash & bank balance	1,111,236
Closing cash & bank balance	933,056
Decrease in Cash & Bank Balance	178,180

Sd/- Chairman  
Sd/- Managing Director  
Sd/- Kazi Zahir & Co. Chartered Accountants

## **RAHIMA FOOD CORPORATION LTD**

Notes to the Accounts for the period ended 30 September 1996 forming integral part of the accounts

### **1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:**

- 1.01 Legal form of the enterprise:**  
Rahima Food Corporation Limited was incorporated on 6th June 1990 in Bangladesh as a private limited company under the Companies Act, 1913, and subsequently converted into a public limited company in 1996.
- 1.02 Nature of business:**  
The company owns and operates an edible oil refinery and refines and sells refined edible oil.
- 1.03 Accounting convention and basis:**  
These accounts have been prepared on the basis of historical cost convention.
- 1.04 Fixed Assets:**  
These are stated at historical cost less accumulated depreciation.
- 1.05 Depreciation:**  
Depreciation was charged on a reducing balance method. The rates at which assets are depreciated are given in details in Note 3.00.
- 1.06 Stock and stores:**  
Raw materials have been valued at cost.  
Finished goods have been valued at subsequently realisable price.  
Stores have been valued at average cost.
- 1.07 Purchase:**  
Purchase shown in accounts include Opening stock.
- 1.08 Taxation:**  
The company is enjoying tax holiday from February 1991 to February 1998.
- 1.09 Turnover:**  
Turnover comprises of local sales only and includes:  
Sale of refined edible oil.  
Sale of fatty acid and oil waste.
- 1.10 Revenue recognition:**  
Sale is recognised at the time of delivery from godown.
- 1.11 General:**  
Previous year's figures have been rearranged wherever considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest Taka except where indicated otherwise.

### **2.00 ISSUED AND PAID UP CAPITAL**

	No. of Shares	Amount (Tk)
a) Shares issued in consideration for cash	328,580	32,858,000
b) Shares issued in consideration other than cash	100,000	10,000,000
c) Bonus Shares issued	571,440	57,144,000
	1,000,020	100,002,000

### **3.00 SCHEDULE OF FIXED ASSETS**

Particulars	COST			DEPRECIATION			W. D. Value
	Rate of Dep.	Opening Bal 1 July 96	Additions during the year	Balance as on 30 Sep 96	Opening Balance 1 July 96	Charged during the period	
Land and Development:							
Buildings	4	10,100,000	801,600	10,901,600	8,132,649	945,578	10,100,000
Plant and Machinery	10	7,331,048	—	7,331,048	18,283,054	895,152	7,115,216
Storage Tanks	5	10,961,585	—	10,961,585	1,298,160	120,793	9,542,632
Working Scaffolds	10	85,000	—	85,000	27,898	928	86,174
Furniture and Fixtures	10	368,775	—	368,775	116,585	6,805	265,385
Electrical Appliances	10	133,050	—	133,050	30,788	2,556	99,706
Office Machinery	6	400,200	—	400,200	45,964	5,314	348,922
Motor Vehicles	20	1,410,000	—	1,410,000	826,270	29,186	855,456
		76,878,776	801,600	77,680,376	21,574,297	942,589	55,173,400

### **4.00 STOCKS & STORES**

	30 Sept. 96	30 June 96
	Taka	Taka
Price USD 490 PMT @ 42.65 TK	33,855,750	6,664,000
Crude Soyabean Oil (1620 MT)	5,375,035	1,122,496
Others	39,234,785	7,786,496

### **5.00 LOAN TO ASSOCIATED COMPANIES** Moshahid Textile Corp. Ltd.

	72,666,884	75,600,202
	72,666,884	75,600,202

### **6.00 ADVANCES, DEPOSITS AND PREPAYMENTS**

Advance Income Tax	43,372	43,372
Security Deposit, Titas Gas	238,393	238,393
Advance Against Import	17,652,308	17,652,308
Advance to Suppliers	4,889,005	6,800,000
Prepaid Insurance	1,827,060	380,225
Staff Advance	2,697,382	2,672,382
Other Advance	768,000	200,000
MARC Developments	32,996	32,996
VAT Current Account	1,190,825	542,660
	29,343,341	32,373,023

### **7.00 CASH AND BANK BALANCE**

ANZ - N Ganj Cash at Bank	50	50
American Express Bank	4,462	4,762
Arab Bangladesh Bank Ltd	569,473	947,072
Cash in Hand	359,071	159,352
	933,056	1,111,236

### **8.00 CREDITORS**

	30 June 96	30 Sept. 96
	Taka	Taka
Selling Commission and Brokerage	620,000	1,088,150
Customs Duty etc.	20,000	20,000
Carriage Inward	130,314	218,487
Clearing Charges	208,013	300,000
R & R Spinning Ltd	224,666	388,446
International Tank Terminal Rent	12,956	37,956
Fuel & Power	753,256	1,006,056
Sundry Creditors	120,780	274,470
	2,089,985	3,333,565

### **9.00 CASH CREDIT LOAN & OVERDRAFTS**

ANZ Grindlays: Cash Credit Loan A/C No. 329-346	81,504,150	64,887,000
ANZ Grindlays: Current a/c overdraft	7,789,506	6,163,156
	89,293,656	71,050,156

9.01 The above represents working capital loan secured against pledge of stock to the bank and collateralised against company's assets.

### **10.00 COST OF SALES**

	96,963,758	185,271,971
	Taka	Taka
Raw Materials	162,268	445,400
Purchase	194,686	534,429
Carriage Inward	68,560	243,293
Marine Insurance	210,210	685,904
Tank Terminal Rent	—	—
Clearing & Other Expenses	—	—
Less: Closing Stock	39,234,785	7,786,496
	57,728,973	177,485,475

	407,210	790,213
	Taka	Taka
Factory Overheads	6,800	23,075
Salary & Wages	4,000	9,670
Travelling and Conveyance	532,964	59,443
Rent, Rates & Taxes	449,454	882,102
Repairs & Maintenance	27,468	53,606
Fuel and Power	7,554	18,376
Postage, Telephone, Fax & Telex	5,271	12,609
Printing and Stationery	386,475	285,329
Welfare and Recreation	19,800	11,451
Insurance	888,728	3,867,119
Sundry Expenses	2,735,724	6,012,993
Depreciation	60,464,697	183,498,468

	160,500	372,620
	Taka	Taka
11.00 ADMINISTRATIVE EXPENSES		
Directors' Remuneration	112,025	9,486
Salary & Wages	1,128	9,486
Travelling and Conveyance	87,854	108,856
Rent, Rates, Licenses & Taxes	7,550	33,068
Office Maintenance	3,200	7,272
Fuel and Power	20,770	47,157
Postage, Telephone, Fax & Telex	5,225	40,827
Printing & Stationery	—	7,501
Publicity & Advertisement	500	1,266
Entertainment	4,550	17,852
Welfare and Recreation	7,464	42,744
Vehicle Maintenance	18,500	30,000
Legal & Professional Expenses	—	3,390
Insurance	1,234	14,767
Bank Charges	1,558	2,860
Sundry Expenses	43,861	208,157
Depreciation	475,919	947,823

11.01 Directors' remuneration includes provision for remuneration and rental allowance of the Chief Executive at the rate of Tk 50,000/- per month and Directors' attendance fees at the rate of Tk 500 each for each board meeting attended.

11.02 Directors attendance fees are fixed at the rate of Tk. 500 each for each Board Meeting attended.

### **12.00 INTEREST ON LOAN TO MOSHAHID TEXTILE CORPORATION LTD.**

	Interest @ 12%
Opening Balance	75,600,202
Received Date 07.07.96	933,318
	746,669
Received Date 07.08.96	1,000,000
	736,669
Received Date 07.08.96	1,000,000
	726,669
	2,210,007

13.00 WORKERS' PROFIT PARTICIPATION AND WELFARE FUND TK 216,438.00  
During the period the company created the W.P.P. & W.F. for the first time by transferring the required amount to the said fund on the profit earned by it since becoming public limited company

	Sd/-	Sd/-	Sd/-
	Chairman	Managing Director	Kazi Zahir & Co. Chartered Accountants
KAZI ZAHIR & CO			99, Kakrail Dhaka-1000

## **Auditors' Report Under of Part II of Third Schedule of the Companies Act, 1994**

We have examined the accounts of Rahima Food Corporation Limited for the period from 1st July 1991 to 30th September 1996, and report in accordance with the provisions under para 24 of Part II of the Third Schedule of The Companies Act, 1994 as follows:

1. **PROFIT AND LOSS:** The company earned the following profits as disclosed per the Profit and Loss accounts during the period from 1st July 1991 to 30th September 1996:-

	For the year / period ended					
Items	30-Jun-92	30-Jun-93	30-Jun-94	30-Jun-95	30-Jun-96	30-Sep-96
Sales	450,691,359	295,496,900	224,263,367	304,869,738	203,332,546	65,803,829
Less: Cost of Goods Sold	423,983,088	267,189,262	201,322,969	274,313,016	183,498,468	60,464,697
Gross Profit	26,708,271	28,307,638	22,940,408	30,556,722	19,834,078	5,339,132
Administrative Expenses	5,154,204	6,386,250	1,577,697	1,706,068	947,823	475,919
Selling Expenses	1,182,710	1,071,203	538,780	440,916	653,829	203,349
Total Administrative & Selling Expenses	6,336,914	7,457,453	2,116,477	2,149,984	1,601,652	518,796
Profit before Interest & Tax	20,371,357	20,850,185	20,823,931	28,406,738	18,232,426	4,859,664
Add: Non Operating Income	—	8,542,154	5,198,060	6,947,296	7,823,017	2,210,007
Less: Financial Expenses	—	—	—	—	—	—
Profit Before Tax	11,404,542	12,308,031	15,625,871	21,559,442	10,409,409	4,545,200
Less: Provision for Income Tax	—	—	—	—	—	—
Profit After Tax / Net Income	11,404,542	12,308,031	15,625,871	21,559,442	10,409,409	4,545,200
Transferred to Tax Holiday Reserve	—	12,351,743	6,467,833	3,122,822	—	—
Profit brought forward from previous year	11,404,542	12,308,031	3,274,128	15,091,609	7,286,587	4,545,200
	4,153,752	15,558,294	27,866,325	36,058,171	51,149,780	1,292,367
	15,558,294	27,866,325	31,140,453	51,149,780	58,436,367	5,837,567
Prior years' adjustments	—	—	4,917,718	—	—	—
Bonus Shares Issued	—	—	—	—	57,144,000	—
W.P.P. & W.F.	—	—	—	—	—	216,438
Retained Earnings	15,558,294	27,866,325	36,058,171	51,149,780	1,292,367	5,621,129

**ASSETS AND LIABILITIES:** The company owned assets and owed liabilities at 30th September 1996 as below:

Fixed Assets (Net)	55,173,490
Investment	6,250,000
Current Assets	157,742,116
<b>Total Assets</b>	<b>219,165,606</b>
Financed by:	
Share Capital	100,002,000
Tax Holiday Reserve	21,942,398
Retained Profit	5,621,129
<b>Share Holders' Equity</b>	<b>127,565,527</b>
Current Liabilities	91,600,079
	<b>219,165,606</b>

3. **Dividend:** No dividend has been declared by the company.

4. **Purchase of Business:** No proceeds or any part of the proceeds of the issue of shares have been applied directly or indirectly by the company in the purchase of any business.

5. **Accounts:** No accounts of the company have been prepared in respect of any period subsequent to 30th September 1996.

Dhaka 19th March, 1997  
Sd/- Kazi Zahir & Company Chartered Accountants

## **Chapter XI**

### **MANAGEMENT OF THE COMPANY**

Rahima Food Corporation is managed by a team of professional managers, headed by Mr. M. A. Rouf Chowdhury, Chairman and CEO. The factory is managed by a team of mechanical, chemical and electrical engineers who report directly to the Chairman.

### **Particulars of Directors**

Name & Address	Particulars relating to other directorship
<b>Chairman</b> Mr. M. A. Rouf Chowdhury S/o Late Mr. Moshahed Ali Chowdhury House No 99 A, Road No 4 Banani R/A Dhaka	<b>Chairman</b> Bangladesh Vegetable Oil and Vanaspati Manufacturers' Association Construction Development Corporation, Abu Dhabi Moshahed Textile Corporation Ltd. MARC Garments Ltd. R & R Spinning Ltd.
<b>Managing Director</b> Mrs. Rafia Chowdhury W/o Mr. M. A. Rouf Chowdhury House No 99 A, Road No 4 Banani R/A Dhaka	<b>Director</b> Construction Development Corporation, Abu Dhabi. Moshahed Textile Corporation Ltd. MARC Garments Ltd. R & R Spinning Ltd.
<b>Director</b> Mrs. Rahima Begum W/o Late Mr. Moshahed Ali Chowdhury House No 99 A, Road No 4 Banani R/A Dhaka	<b>Director</b> Moshahed Textile Corporation Ltd. MARC Garments Ltd. R & R Spinning Ltd.

### **MANAGEMENT OVERVIEW**

Mr. Abdur Rouf Chowdhury, MA (OXON), is the principal promoter and CEO of RFCL. He is the current Chairman of the Bangladesh Edible Oil Refiners' & Vanaspati Manufacturers' Association