

12/03/01
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Rangamati Food Products Limited

A Public Company Limited by Shares

PROSPECTUS

Public Offering of 1,000,000 Ordinary Shares of Tk. 10.00 per share for Tk. 10,000,000

Opening date for subscription: 2001

Closing date for subscription: 2001

27 March
05 April

Underwriting Commission @ 2.5% on Tk. 10,000,000 aggregating Tk. 250,000

UNDERWRITERS

Prime Finance & Investment Limited	: 63, Dilkusha C/A, (7th Floor), Dhaka -1000.
Bay Leasing & Investment Limited	: Printers Building (7th Floor), 5 Rajuk Avenue, Dhaka-1000
Capital Market Services Limited	: Sulte 702, (7th Floor), 28 Dilkusha C/A, Dhaka-1000.
Equity Partners Limited	: 1003 DSE Annex Building, (9th Floor), 9/E Motijheel C/A, Dhaka-1000.
Swadesh Investment Management Limited	: 3/1 Bijoy Nagar VIP Road, Dhaka-1000

MANAGER TO THE ISSUE

Prime Finance & Investment Limited

63, Dilkusha C/A, (7th Floor), Dhaka -1000.

Tel: 9563882-3, Fax: 9563692, E-mail: pfil@bdcom.com

[Date of Publication of Prospectus 2001]

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE / OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND PUBLIC ISSUE RULES, 1998. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SHARE OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM. RESPONSIBILITY FOR WHICH LIES WITH THE ISSUER, ITS DIRECTORS, INVESTMENT ADVISER, UNDERWRITERS, ISSUE MANAGER, VALUER AND/OR AUDITOR.

IT IS, HOWEVER, THE SECURITIES AND EXCHANGE COMMISSION'S RESPONSIBILITY TO ENSURE THAT FULL AND FAIR DISCLOSURES ARE MADE IN THE PROSPECTUS IN TERMS OF THE PUBLIC ISSUE RULES, 1998, SO THAT THE INVESTORS CAN MAKE INFORMED INVESTMENT DECISIONS."



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RANGAMATI FOOD PRODUCTS LIMITED
CONDITIONS UNDER SECTION 2CC OF
SECURITIES AND EXCHANGE ORDINANCE, 1969

1. The Company shall not account for any upward revaluation of its fixed assets creating reserve without clearance from Securities and Exchange Commission.
2. Directors from "Sponsors Group" shall be proportionate to their actual shareholding in the paid up capital of the Company. Directors shall be elected from amongst the institutional investors proportionate to their holding of shares. If holding is more than 5% but less than 10% it will have at least one Director in the Board. Representative of the general investors who do not fall under above categories shall elect their Director in the Annual General Meeting proportionate to their share holdings;
3. Jumbo Share Certificate of the Sponsors/Directors shall be in the custody of a scheduled bank. No splitting of shares shall be made without prior intimation to the Commission.
4. Private placement of shares shall be subject to a lock-in for one year (excepting mutual fund, portfolio manager and other financial institutions). Shares in private placement, if fall under the category of sponsors, shall be locked-in for 3 (three) years.
5. Allotment letters shall not be traded and endorsement/renunciation shall not be permissible.
6. Share Certificates shall be issued within 90 (ninety) days from the close of subscription.
7. The account of the company shall be audited within 120 (one hundred & twenty) days of the close of the financial year of the Company. Annual General Meeting (AGM) shall be held within 6 (six) months from the close of the financial year.
8. Dividend, if declared, shall be payable within 60 (sixty) days of its declaration, failing which interest shall be payable @ 18% from the date of declaration and penal provision will also be attracted under the Securities and Exchange Ordinance, 1969. If no dividend is proposed by a Company with profit, an agenda shall be placed in the Annual General Meeting (AGM) requiring a special resolution;
9. If the company fails to make any profit for two consecutive years, Securities and Exchange Commission (SEC) may appoint Auditors for special audit of the affairs of the company. The company shall bear the cost of such audit.

GENERAL INFORMATION

- ♦ The Prospectus has been prepared by Prime Finance & Investment Limited (PFI) based on information supplied by Rangamati Food Products Limited (the Company) and also discussions held with the Chairman, the Managing Director and related executives of the Company. The Directors of Rangamati Food Products Limited collectively and individually confirm that to the best of their knowledge and belief the information contained herein is true and correct in all material respect and that there are no other material facts the omission of which would make any statement herein misleading
- ♦ No person is authorised to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorised by the company or Prime Finance & Investment Limited.
- ♦ The Issue as contemplated in this document, is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of the country.
- ♦ A copy of this Prospectus can be obtained from the Head Office of Rangamati Food Products Limited, the underwriters that are named on the front page of this Prospectus and the Stock Exchanges where the securities will be traded.



DECLARATION OF THE DIRECTORS AND OFFICERS OF THE RANGAMATI FOOD PRODUCTS LIMITED

This Prospectus has been prepared, seen and approved by us; and we collectively and individually accept full responsibility for the authenticity and accuracy of the statements, information given in the Prospectus, documents, financial statements, exhibits, annexures, papers submitted to the Commission in support thereof; and confirm, after making all reasonable inquiries that all conditions and requirements concerning this public issue and Prospectus have been met and that there are no other information or documents the omission of which may make any information or statements herein misleading for which the Commission may take any civil, criminal or administrative action against us or any of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/- (D. K. Barua) Managing Director	Sd/- (Pravakar Barua) Director & Manager Marketing
Sd/- (P. B. Barua) Director	Sd/- (Tafzal Ahmed) Company Secretary
Sd/- (Aungla Pro Marma) Director	Sd/- (Basu Dev Hore) Accountant
Sd/- (K. K. Barua) Director & Project-in-Charge	Sd/- (A. K. Goha) Project Manager

DECLARATION ABOUT FILING OF PROSPECTUS WITH REGISTRAR OF JOINT STOCK COMPANY

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under section 138(1) of the Companies Act, 1994, Vide RJSC's Receipt No. Dated



DECLARATION BY THE ISSUER ABOUT APPROVAL FROM THE SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGE

In case of any material change in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus, subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For the Issuer

Sd/-

Managing Director

Rangamati Food Products Ltd.

DECLARATION BY THE ISSUE MANAGER ABOUT APPROVAL FROM THE SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGE

In case of any material change in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication, shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Managing Director

Prime Finance & Investment Ltd.

DECLARATION ABOUT LISTING OF SHARES WITH THE DHAKA /CHITTAGONG STOCK EXCHANGES

An application will be made to Dhaka/Chittagong Stock Exchange Ltd. within ten days of the issuance of Prospectus for admission of the shares of the company for dealing in the stock market and for their quotation in the Stock Exchanges.

If for any reason, the application for listing is not accepted by the Stock Exchange within 6 (six) weeks of the closure of subscription list, any allotment in terms of this Prospectus shall be void, and the company shall refund subscription money within 30 (thirty) days of the expiry of said 6 (six) weeks of the closing of subscription list. In case of non-refund of the subscription money within the aforesaid 30 days, the directors, in addition to the company, shall be collectively and severally liable to pay interest at 5% above the Bank rate.



DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Chairman
Securities and Exchange Commission
Jiban Bima Tower (15-16th Floor)
10 Dilkusha C/A
Dhaka-1000

Sub: Public offer of 1,000,000 Ordinary Shares of Tk. 10.00 each (at par) by Rangamati Food Products Limited.

Dear Sir,

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the Draft Prospectus pertaining to the said Issue, have examined relevant documents and other materials as relevant for adequate disclosure to the investors.
2. On the basis of such examination; and the discussions with the Company, its directors, officers and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Company

We confirm that:

- a) the Draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue.
- b) all the legal requirements connected with the said Issue have been duly complied with;
- c) the disclosures made in the Draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision as to investment in the proposed Issue.

For
Prime Finance & Investment Limited

Sd/-
Managing Director



DUE DILIGENCE CERTIFICATE OF THE UNDERWRITERS

Chairman
Securities and Exchange Commission
Jiban Bima Tower (15-16th Floor)
10, Dilkusha C/A
Dhaka-1000

Dear Sir,

Sub: Public offer of 1,000,000 Ordinary Shares of Tk. 10.00 each at par by Rangamati Food Products Limited.

We, the under-noted Underwriter(s) to the above mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination; and discussions with the company, its directors, officers and other agencies; and the contents of the documents and other materials furnished by the Company and our underwriting agreement(s) dated 16/01/2001/, 17/01/2001

WE CONFIRM that:

- (a) all information as is relevant to our underwriting decision has been received by us and that the draft Prospectus forwarded to the Commission has been approved by us;
- (b) we shall take up on payment any under-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (c) this underwriting commitment is unequivocal & irrevocable.

Sd/-

Managing Director/Chief Executive Officer/Director/VP & Company Secretary
Prime Finance & Investment Limited
Bay Leasing & Investment Limited
Capital Market Services Limited
Equity Partners Limited
Swadesh Investment Management Limited
Underwriters



AVAILABILITY OF PROSPECTUS:

The Prospectus of the Rangamati Food Products Limited will be available at the following addresses:

Company	Contact Person	Telephone No.
Rangamati Food Products Limited Share Office: Suite No. 202 (2nd Floor) Dilkusha Centre 28 Dilkusha C/A Dhaka-1000	Mr. M. A. Razzak Executive	9561794
Prime Finance & Investment Limited 63, Dilkusha C/A (7th Floor) Dhaka-1000.	Mr. Md. Rezaul Haque Senior Principal Officer	9563882 9563883
Bay Leasing & Investment Limited Printers Building (7th Floor) 5 Rajuk Avenue Dhaka-1000	Mr. Azadur Rahman Khan Managing Director	9560111
Capital Market Services Limited Suite 702, (7th Floor) 28 Dilkusha C/A Dhaka-1000.	Mr. Al Maruf Khan Managing Director	9565026 9562715
Equity Partners Limited 1003 DSE Annex Building (9th Floor) 9/E Motijheel C/A Dhaka-1000.	Mr. Mir Mahfuz Rahman Director	9561070 9561232
Swadesh Investment Management Limited 3/1 Bijoy Nagar VIP Road Dhaka-1000	Mr. Ziaul Quddus Chief Executive Officer	9345853-4
Dhaka Stock Exchange Limited (DSE) 9F Motijheel C/A Dhaka-000	DSE Library	9564601 - 7
Chittagong Stock Exchange Limited (CSE) CSE Building 1080, Sheikh Mujib Road Chittagong-4100	Secretary	(031) 714632-3 (031) 720871-3
Securities and Exchange Commission (SEC) Jiban Bima Tower (15th & 16th Floor) 10, Dilkusha C/A Dhaka-1000	web site (www.secbd.org)	9568101-2



RISK FACTORS

1. Investment in equity securities involves risk. Investors should not invest in the offer unless they can afford to take the risk of losing their investment.
2. Profit margin may be reduced due to rise in the price of raw materials both local and imported.
3. The industry is dependent on seasonal harvest of fruits. This puts a limitation to the capacity of the company to operate throughout the year.
4. Chittagong Hill Tract was a politically troubled area. Similar turmoil may flare up again putting constraint on the operation of the company.
5. The basic raw materials i.e. pineapples, tomatoes and oranges are perishable. If for any reason, the production is hampered, the raw materials already procured may perish and the company may incur loss.
6. The industry is a labour intensive industry. Aggrieved labour may hold up production any time.
7. Because of market economy, there will be access of foreign products to the domestic market. As a result domestic products will have to face competition in both price and quality. Besides, new competitors may arrive in the market reducing the market share of the company.
8. The company is closely held between family members and hence decisions may not be appropriate to the interest of the company.
9. Devaluation of Taka against dollar has become a regular feature in the context of global economy. As a result the cost of imported packing materials will be high and targeted profit may be reduced.
10. The management of the company has exposure to this single sector of industry only which may reduce the diversified growth of the company.
11. The existing machinery is 20 years' old and relatively less efficient and may get obsolete with the appearance of new technology.
12. The company has been enjoying benefit of exemption from income tax and VAT. In case the facility is withdrawn, profitability of the company may be reduced and marketing will be highly competitive.



MANAGEMENT PERCEPTION ABOUT RISK

1. Prices of basic raw materials i.e. pineapple, tomato, orange etc. have been stable over the recent years and are not likely to register any sharp rise in view of the fact that they are abundantly available in the Chittagong Hill District.
2. Targeted annual production will be attained during the harvesting seasons of fruit and will be kept in the cold storage which is being procured under the expansion program and marketed throughout the year.
3. In view of the recent peace agreement signed, no further turmoil is expected to flare up in the hill districts.
4. Raw materials being available in the neighborhood in abundance and production being targeted during harvesting seasons, the company does not have to carry any big stock of raw materials which might perish in case of stoppage of production.
5. Although the industry is labour intensive, the total requirement of labour after expansion would not exceed 75. They are from the immediate neighborhood and beneficiaries of the only industry in the locality, loyal to the company, easily manageable and pose absolutely no risk as a hostile force.
6. Approximately 25% of raw materials, such as, packing materials and flavours and chemicals are being imported and devaluation of Taka will not materially affect the profitability of the company.
7. Through regular maintenance of machineries including replacement of spares, the efficiency of the machinery has been kept at a satisfactory level. Production processes mostly cold, having to process liquid juice using steam heat for heat treatment. As a result, the wear and tear of machinery has been minimal.
8. Mr. P. B. Barua, Director will supervise the operations of the factory. He is a food technologist with long experience in Beverage industries both at home and abroad. The Managing Director who established the industry has been running it for the last 17 years and has acquired skill and knowledge in food and beverage industry. The experienced managers of the company will be able to take appropriate measures to counter any risk.
9. Agro based industries are considered as thrust sectors and hence no unfavourable govt. policies are expected in respect of industries based on indigenous fruits like, pineapples, tomatoes and oranges.
10. Since the project is located in the Hill district of Rangamati, income tax and VAT are not applicable to the project at the moment and in view of the peace agreement signed it is most unlikely that income tax and VAT will be imposed on the hill district.



CALCULATION OF EARNING PER SHARE

Based on financial statements for the period from 1st July 2000 to 30th September 2000.

a)	Net profit (Taka)	488,065
b)	No. of Ordinary Shares (Prior to issue of new shares)	1,000,000
c)	Earning per share (Taka)	0.49

RATIO ANALYSIS

Based on financial statements for the period from 1st July to 30th September 2000.

Gross Profit Ratio =	$\frac{\text{Gross Profit}}{\text{Net Sales}} \times 100$	$= \frac{989,247}{4,675,857} \times 100 = 21.16\%$
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Net Profit Ratio =	$\frac{\text{Net Profit}}{\text{Net Sales}} \times 100$	$= \frac{488,065}{4,675,857} \times 100 = 10.44\%$
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Return on Assets =	$\frac{\text{Net Profit}}{\text{Total Assets}} \times 100$	$= \frac{488,065}{32,488,242} \times 100 = 1.50\%$
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Current Ratio =	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$= \frac{23,386,166}{4,541,484} = 5.15 \text{ (times)}$
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Return on Shareholders' Fund =	$\frac{\text{Net Profit}}{\text{Shareholders' Fund}} \times 100$	$= \frac{488,065}{23,487,641} \times 100 = 2.08\%$
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Debt Equity Ratio =	$\frac{\text{Debt}}{\text{Shareholders Equity}}$	$= \frac{4,459,117}{23,487,641} = 0.19$
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Interest Coverage Ratio =	$\frac{\text{EBIT}}{\text{Interest}}$	$= \frac{539,184}{51,119} = 10.55$
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USE OF PROCEEDS

(Amount Taka)

The IPO Fund	10,000,000
Placement Fund	10,000,000
Total:	20,000,000

The above Fund will be utilized in the following manner for BMRE of the project.

Particulars	(Amount Tk)	
Machinery – Imported	11,862,547	
– Local	1,163,336	
– Installation & Commissioning of machinery	<u>215,000</u>	13,240,883
Share Issue Expenses		2,000,000
Civil Works for Cold Room (20' x 30' = 600 sq.ft.)		300,000
Repayment of BSRS Loan		4,459,117
Total		20,000,000

IMPLEMENTATION SCHEDULE

Opening of L/C	<u>Target of completion</u> May 2001
Arrival of Imported Machinery at port	September 2001
Machinery at site	September 2001
Local machinery (ready stock from local market)	September 2001
Installation of Machinery	October 2001
Trial Production	November 2001
Commercial Production	December 2001
Civil Works	June 2001
Repayment of BSRS Loan	June 2001



HISTORICAL BACKGROUND OF THE PROJECT

Rangamati Food Products Limited was incorporated on June 22, 1979 as a Private Limited Company under the Companies Act, 1913. Subsequently the company was converted into a Public Limited Company on September 15, 1996 raising authorized capital to Tk. 100 million and paid up capital to Tk. 10.00 million. The project was established at a cost of Tk. 5.40 million which was financed by sponsors' equity capital of Tk. 2.08 million and a loan finance of Tk. 3.32 million from Bangladesh Shilpa Rin Sangstha to produce canned fruit juices and other fruit-based products.

Because of insurgency in the Hill Tracts working capital was not available to the project till 16 months after trial operation of the project in 1981.

Bangladesh Krishi Bank (BKB) provided working capital of Tk. 0.80 million only in end 1982 against its requirement of Tk. 5.10 million. BKB kept it enhancing gradually until 1990 when the limit was raised to Tk. 5.18 million.

Owing to total non-availability of working capital for initial 16 months and insufficient and piecemeal increase in working capital till 1990 the project could not achieve planned production and sales. On account of insurgency in the Hill Tracts, the factory could work only 6 hours from 10 a.m. to 4 p.m. during 1980-91.

In 1986 the Govt. allowed import of canned fruit juice from Bhutan free of any custom duty. On top of it, the import of tin can was restricted only to pharmaceutical industry in 1986-87 although the project was wholly import dependent. As a result the canned production of the company was completely stopped for one year till 1987-88 when the policy was revised allowing non-pharmaceutical industries to import tin cans but duty was raised from 50% to 100%. At the advice of the govt, the project started using locally produced tin cans. But within 3 to 7 days of the packing of products, about 30,000 cans got contaminated and the products started leaking out. Thus the company suffered a loss Tk. 1.2 million on this account.

Due to aforesaid scenario, the company started making profit only in 1995. In order to relieve the company from previous losses arising from circumstances beyond the control of the management BSRS waived Tk. 9.35 million in 1999 out of Tk. 10.40 million of interest payable by the company.

In order to ensure quality products and widen the range of products with increased capacity enabling the project to compete in the home as well as overseas market successfully it has become necessary for the company to go for the BMRE of the plant and machinery.

The company has planned to implement its BMRE program raising funds through public issue of Tk. 20.00 million.

The Project

Rangamati Food Products Limited is an agrobased food processing project at Betbunia in Rangamati Hill District. It is the only industry in the Special Economic Zone within 3 (three) Hill Districts viz- Rangamati, Khagrachori and Bandarban. It produces the following products:

Processed Canned Products

1. Juices – Pineapple, Orange, Mango, Tomato
2. Fruits – Pineapple slices and piece jam
3. Vegetables – Green peas
4. Others – Fish, Mutton.



The growers of the Hill areas are great beneficiaries of the project and expansion of the project will greatly augment their economic activities. The local farmers sell their fruits and vegetables directly to the company. It also offers employment opportunities to the local people and implementation of the proposed expansion will further increase these opportunities. The existing project went into operation in 1982. Implementation of the BMRE program will increase production capacity as well as raise the quality of products and diversify them. Proposed new products will be mainly juice-based drinks as follows:

Processed Bottled Products

1. Jam, Jelly, Squash, Pickles, Tomato Ketch up
2. Fruit drink (Mango, Lemon, Orange) - in disposable PET Bottles containing 15-20% natural fruit pulp for mass consumers.

Profitability of the Company

The project is located in the Special Economic Zone of Rangamati Hill Districts. As per Chittagong Hill Tracts Manual 1900 no VAT and Income tax are applicable to projects in special economic zone. Besides, working capital loan is available at 5% simple interest due to location of the project in the Hill Districts. The waiver of VAT and Income Tax payment and savings from concessional rate of interest on working capital will contribute towards the attractive profitability of the company.

Transparency of the quality of the existing products.

The prime consumers of the existing products of the company are Defense Services of Bangladesh, Chittagong Club, Dhaka Club, Foreign Ships etc. The existing products proved superior by lab test to that of imported products of similar kinds and as a result the elite consumers of the country prefer it. The company has got transparency certificate from Canteen Stores Department, Ministry of Defense of the products. Since the company has created good-will in the market for its products, the marketing of the proposed enhanced & diversified products will be easier.

Quality of products has been accepted by the institutional buyers like Bangladesh Biman, Army (CSD), Foreign Ships.

In the plant, a laboratory for testing is available. The company has not approached for BSTI certificate in recent times. In future it will go for that. In fact so far it has not received any complaint about quality of its products. Rather the quality has been appreciated by the consumers.

Market for Fruit Juices/Products

Demand and Supply

The Market for fruit juices/products is predominately import based. Approximately 75% of the total demand for fruit juices and products is met from imports. Demand for fruit juices/products is steadily rising with the rise in the disposable income of the people and their increasing health consciousness.



The demand for fruit juices is a derived demand from carbonated soft drinks. The current supply position of carbonated soft drinks in the country is approximately 500 million bottles/ packs/cans. Demand for fruit juices is slowly but steadily substituting the demand for carbonated soft drinks. Thus demand for fruit juices is expected to be increasing.

The current demand for fruit juices estimated to be 170 million bottles/cans/packs of which local supply is about 125 million bottles/cans/packs thereby leaving a supply gap of about 45 million bottle/cans/packs. (Supply estimates have been based on sales volumes of the existing Beverage industries of the country).

The production of Rangamati Food Products Limited will be only 4 million bottles/cans per annum. The project will meet only 9% of the supply gap. Hence there will be no problem for the project to market its products. Besides, the project has plans to market its products in the export market and to tap the untapped market in the country.

Marketing

The products are at present marketed through institutions like, Canteen Stores Department (CSD), Chittagong Cantonment, Foreign Ships, Dhaka Club, Chittagong Club and Local Departmental Shops. The company will have a distribution network having dealers to sell the enhanced volume of products after expansion of the project. The company will also give necessary advertisement for launching of its new products.

Relative contribution to sales

Description of Item	Sales %
Canned Juice (Pineapple, Orange, Mango, Tomato)	26%
Canned Fruits & Vegetables (Pineapple, Tomato, Green Peas)	22%
Canned Fish & Meat (Hilsha fish & Mutton)	48%
Bottled Jam/Jelly/Squash Pickles	4%
Total	100%

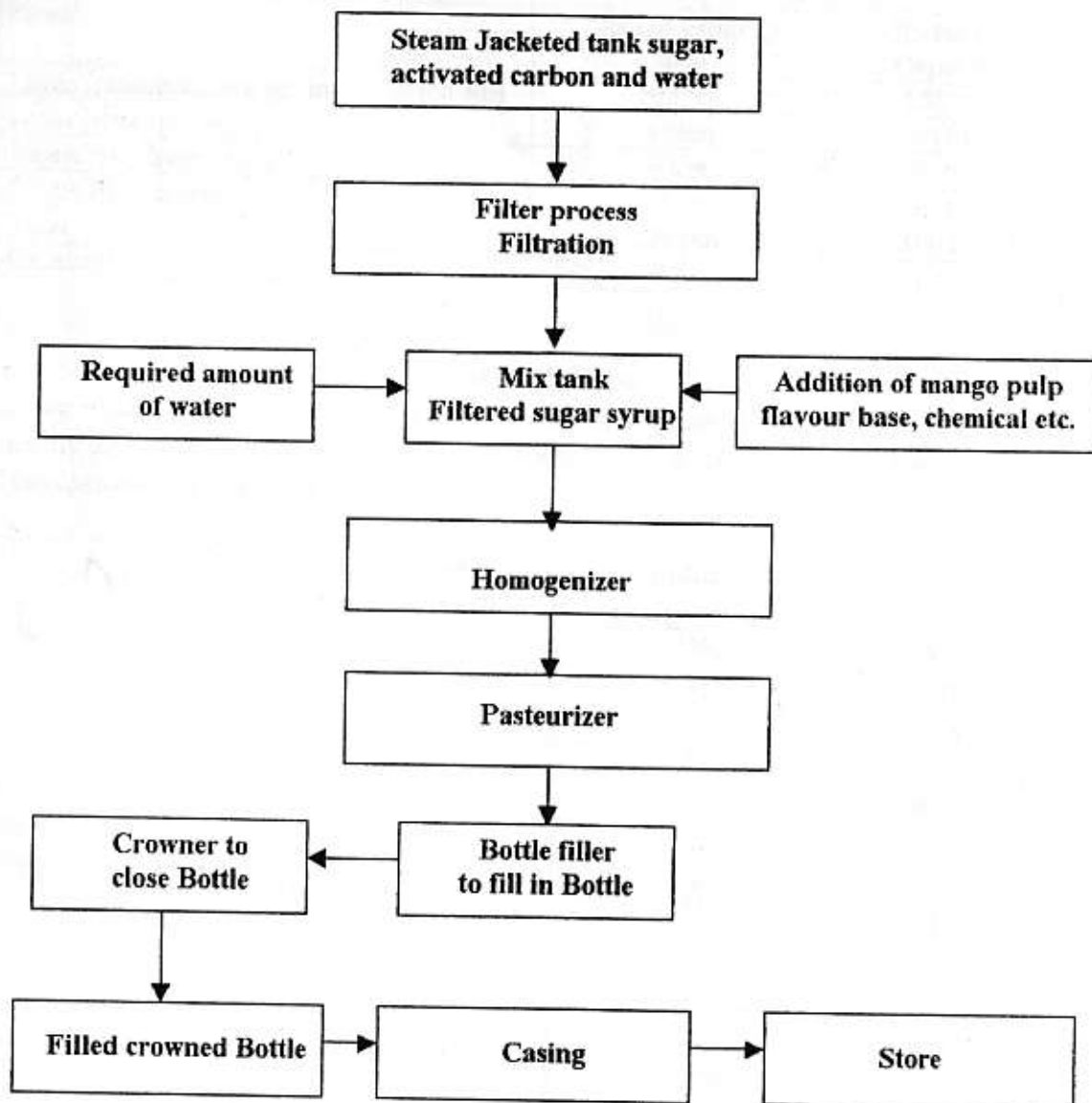
Production Process

Food Technology is a sophisticated one and the project has been designed on the basis of appropriate technology avoiding unnecessary capital intensive automation.

The proposed machinery will be sophisticated and mechanically advanced with regard to processing, filling and packing. This will give quality products ensuring natural flavour, colour and smooth texture of final product which are major quality indices of food products of high standard.



PRODUCTION PROCESS FLOW



Utilization of production capacity (Year ending June 2000)

Sl.	Items	Utilized capacity 2000	Installed Capacity
1.	Juices (pineapple, orange, mango & tomato)	102 ton	150 ton
2.	Fruits (slice, pieces, jam)	44 ton	60 ton
3.	Vegetable (Green peas)	9 ton	10 ton
4.	Others (fish, mutton, soap)	65 ton	80 ton
	Total	220 ton	300 ton
	Capacity utilization	73%	100%

Raw Materials

The basic raw materials are available locally. The annual requirements of raw materials for the project at 100% capacity utilization after the expansion on the basis of two shifts operation of 8 hours/shift per day and 300 days per year are as follows:

Item	Present requirement (ton)	Additional requirement (ton)	Price/Ton (Tk.)
Pineapple	254	596	6000 per ton
Mango	35	325	22000 per ton
Orange	62	62	18000 per ton
Lemon	2	150	10000 per ton
Tomato	50	113	80000 per ton
Green Peas	10	15	1500 per ton
Hilsha Fish	9.32	---	70 per kg
Mutton	12.10	---	100 per kg
Chicken	1.00	---	100 per kg
Sugar	30	300	32000 per ton
Citric Acid	0.4	2.50	110000 per ton
Flavour	0.15	2.60	1000000 per ton
Imported Packing Materials			
Tin Can	354000 pcs	890000 pcs	18.00 pc
Glass Bottle	18000 pcs.	550000	3.00 pc
Food additives	0.60 ton	2.5 ton	
Cap	18000 pcs	600000 pcs	1.00 pc
Crown cork	---	2200000 pcs	0.30 pc
Plasticlosun	---	5000000 pcs	0.85 pc
Label	371000 pcs	6000000 pcs	1.00 pc
Carton	20000 pcs	50000 pcs	15.00 pc



Power and Electricity, Gas & Water

Presently fuel requirement is met from electricity. Electricity is supplied by PDB and there is a 100 KVA Transformer. For operating the boiler furnace oil is used. Furnace oil consumption is 8000 Gallons pa which is procured from Padma Oil Company Limited and stored in an underground reservoir. There is an additional requirement of 2500 gallons furnace oil pa. Fresh water is available from own Deep Tube-well. There is an overhead reservoir of 20,000 litres.

In addition to govt. supply source from 100 KVA transformer, there is a 30 KVA standby diesel generator.

There will be need for an additional standby diesel generator of 50 KVA capacity. Existing power requirement is 30 KW. Additional requirement is about 40 KW.

Competitors and Market Shares

a) In case of canned fruit juice and fruits :

PRAN	:	45%
Rangamati Food Products Ltd.	:	25%
Imports	:	30%

b) In case of juice drink:

PRAN	:	30%
Slice (Pepsi)	:	25%
Shezan	:	20%
Mangola	:	15%
Imports	:	10%

c) In case of canned fish, mutton, soup etc. – There is no local competitors although some canned fish, mutton etc. are available in the market.

Locational advantage

The project is situated in the honey queen pineapple, jack-fruit, guava, cashunut and other vegetable growing area which ensures sufficient availability of fresh fruits & vegetables to the project.

The Project being located in the special economic zone declared by the govt. is entitled to get various concessions including VAT & Income tax exemption as per the Hill Tracts Manual, 1900 under sub-section 2 of the Tax Rule, 1922. In this regard a stay order issued by the Rangamati Court is submitted along with other documents.

It may be mentioned here that after the Peace Agreement signed between the Govt. of Bangladesh and the Pahari Jana Sanghati Committee on 2nd December 1997, Bangladesh Govt. has a policy program for the development of the hill district on priority basis. Meanwhile a few foreign counties, developing agencies and investors are showing keen interest in the development of the entire Chittagong hill districts including establishment of tourism spots and 5-Star hotels which will ultimately create great scope for sale of the products of this project.



Sources of Raw Materials and Principal Suppliers

Names of pineapple, orange, mango, tomato suppliers

Sl.	Name of suppliers/Arotdars	Address
1.	Dhaka Firm	90 Firingi Bazar, Chittagong
2.	Shaha Amanet	82 Firingi Bazar, Chittagong

Names of pineapple suppliers

Sl.	Name of suppliers	Address
1.	Saman Ali	99 Khow Khali, Rangamati

Names of meat suppliers

Sl.	Name of suppliers	Address
1.	M/S. Saydul Haque	23/A ICE factory Road, Chittagong
2.	M/S. Samsul Haque	23 Firingi Bazar, Chittagong
3.	M/S Mofiz Sowdagar	101 Reaz Uddin Bazar, Chittagong

Names of fish suppliers

Sl.	Name of suppliers	Address
1.	M/S Amon Ali (Aratdar)	Fisheri Ghat, Chittagong
2.	M/S Razab Ali Sowdagar (Aratdar)	Fishery Ghat, Chittagong

No. of total employees

- A) 35 Employees.
B) With the expansion program, another batch of minimum 30 people will be employed.

Customers buying 10% and above

Sl.	Name
1	Army (CSD) Direct
2	Foreign Ship (through enlisted agents namely- Hussain Brothers, Kamal General Stores, Wazar Ali & Sons.



DESCRIPTION OF PROPERTY

LOCATION OF THE PRINCIPAL PLANTS AND OTHER PROPERTY

Factory

The project is located at 95/A, Betbunia, Rangamati Chittagong Hill-Tracts. The area of the plot is 2.38 acres and the shape is almost square and adequate for the proposed expansion.

Registered Office

95/A Betbunia, Rangamati, Chittagong Hill District.

Chittagong Office

128, Dewanhat, Chittagong, Bangladesh.

Ownership of the Land

The Company owns the land through purchase.

Lien on the Property

The property of the company is mortgaged as first charge with Bangladesh Shilpa Rin Sangstha (BSRS) against project loan. The mortgaged property will be released after proposed settlement of the loan.

Leasehold Property

The company does not have any property on Lease.

BRIEF DESCRIPTION OF THE FACTORY BUILDING AND OTHER CONSTRUCTIONS (EXISTING UNIT)

Factory Building	8400 sft	RCC Structure
Raw Material Godown	1500 sft	RCC Structure
Office	1500 sft	RCC Structure
Staff Quarter	2000 sft	Brick wall & Tin Shed

LIST OF MACHINERY (EXISTING UNIT)

Sl	Name of Brand New Machinery	Rate (Ind. Rs)	Quantity (No.)	Country of Origin	Mode of Procurement	Year of Acquisition
1	Aluminium Top	2567	1	India	LC	1980
2	Aluminium Trays	114	1	India	LC	"
3	Pineapple Coror and Sizer	66960	1	India	LC	"
4	Pineapple Slicer	46373	1	India	LC	"
5	Screw Type Juice Extractor	12225	1	India	LC	"
6	Pulper Machine	33505	1	India	LC	"
7	Stainless Steel steam Jacketed Kettle Tilting	21394	2	India	LC	"
8	Steam Jacketed Kettle	32086	1	India	LC	"



9	Stainless steel Blanching Tank	12285	1	India	L/C	1980
10	Orange and Lemon halving Machine	10693	1	India	L/C	"
11	Rosing Machine	11410	1	India	L/C	"
12	Stainless Steel Syruping Tank	10693	1	India	L/C	"
13	Straight Line Exhauster	30994	1	India	L/C	"
14	Straight Line Conveyor Type	14262	1	India	L/C	"
15	Retort for Processing the cans	32959	2	India	L/C	"
16	Chain Pulley Block with geared Trolley	3561	1	India	L/C	"
17	Double Seamer Machine	48981	3	India	L/C	"
18	Can Reformer Machine	29886	1	India	L/C	"
19	Hand Can Flanger Machine	18305	1	India	L/C	"
20	Hand Can Flange Rectifier	6186	1	India	L/C	"
21	Checking Micromaster	247	1	India	L/C	"
22	Pressure Can Tester	79	1	India	L/C	"
23	Brush Type Washing Machine	5705	1	India	L/C	"
24	Two-head Vacuum Bottle Filling Machine	10693	1	India	L/C	"
25	Hand and Foot Operated Crown Corking Machine	1997	1	India	L/C	"
26	Filter Proof Capping Machine	7131	1	India	L/C	"
27	Mild Steel Tank	15689	2	India	L/C	"
28	Portable Platform Scale	24450	1	India	L/C	"
29	Mech. Lifting	12225	2	India	L/C	"
30	Self - indicating Counter Scale	24450	1	India	L/C	"
31	Pocket Refractometer 0-450B		1	India	L/C	"
32	Pocket Refractometer 450-800B		1	India	L/C	"
33	Can Opener		1	India	L/C	"
34	Motorized Label Gumming Machine		1	India	L/C	"
35	Laboratory Equipment	12250	1	India	L/C	"
36	One set Steam Boiler	93212	1	India	L/C	"
37	Diesel Generating Set	Tk. 350,000	1	UK	Purchased from local market	"
38	Aluminum foil sealing machine	Tk. 30,000	1	Local	"	"



LIST OF MACHINERY TO BE IMPORTED

Sl	Name of the Machinery	Name of Supplier	Origin	Quantity	Price in US\$	Estimated effective life	Mode of procurement
1	Vacuum pan heater (Evaporator) Evaporation Capacity-200 kg/Hr.	Myco Ind	Korea	1 Unit	16400	20 Years	LC
2	Homogenizer-rannie Capacity 500 Ltr/Hr At pressure 200 bar	M/s. Mather & Platt.	India	1 Unit	28435	"	LC
3	Plate type filter Press 1000 Ltr/Hr Total Filtering area-0.6m ²	M/s. Mather & Platt.	India	1 Unit	9000	"	LC
4	Plate type pasteurizer Capacity 1000 Ltr/Juice/Hr	M/s. Mather & Platt.	India	1 Unit	12000	"	LC
5	Steam generating boiler, 400 kgs/hr. Steam, dual Fuel of gas/oil	Myco Ind. BO-series model BO-400 GS	Korea	1 Unit	20700	"	LC
6	Cold room machinery 7.5RT Capacity for 20'x30'x8' room holding at 5°C	Santek Agencies	USA/ Germany	1 Unit	20900	"	LC
7	Rotary Piston Type Filler 1200, L/Hr. Model-SSF-20A with capping M/C Model-SSOC-P8	Myco Ind.	Korea	1 Unit	26800	"	LC
8	Shrink wrapping machine 6 Bot/Pack 5 Packs/Min cap	Myco Ind.	Korea	1 Unit	8200	"	LC
9	Air Compressor Cap. 30 CFM at 100 Psi	Myco Ind. Model INGERSOL RAND-T30	Korea	1 Unit	4300	"	LC
10	PET Stretch Blow moulding M/C Cap. 1000-1500 Bot/Hr.	Best Export, Model-AHURA	India	1 Unit	27200	"	LC
11	Steam Jacketed Sugar Mixing Tank 1m ³	Mico Ind.	Korea	1 Unit	5900	"	LC
12	Product Feed Pump 2 HP 4m ³ /HR	Mico Ind.	Korea	3 Nos	3300	"	LC
13	Estimated Sea Freight	From Korea From India			4000 2000		LC
				Total US\$	189135		

Manufacturers/suppliers of proposed imported machinery

Sl.	Name of Manufacturer/supplier	Fax:	E-mail
1	M/S MYKO Industries Co. Ltd. 6F Young Bldg. 789-4 Yeoksamdong, Kangnamku, Seoul, Korea 135-080	82 2 563-3249	myko@myk.co.kr
2	M/S MATHER & PLATT Hamilton House, 8 J. N. Heredia Marg Post Box No. 327, Bombay - 400 038, India	91-22-2614632	
3	Best Exports Centre Pvt. Ltd. 1105 Embassy Centre, Nariman Point Mumbai 400 021, India	91-22-2872342	best@bon4.vsnl.net.in
4	Santek Agencies & Services Ltd. Agent for: Far East Refrigerator (Pvt.) Ltd. 291&293 Jalan Besar, Singapore 0820 Eastern Plaza, Chamber No. 9/6, Sonargaon Raod (Hatirpool), Dhaka-1205	880-2-863267	



LIST OF MACHINERY TO BE PURCHASED LOCALLY

Sl.	Description	Quantity	Unit Price (Tk.)	Total Price (in Taka)
1.	Hand Lifter 100 Kgs. Capacity, Made in Korea	2	1,00,000/=	200,000
2.	Dial type weighing balance Capacity 0 to 100 Kgs. Made in Taiwan	2	75,000/=	150,000
3.	SS Sanitary pipe 1-1/2 dia -Grade 304	10 pcs. of 20'each	175/ft.	35,000
4.	SS Union	5 pcs.	560/pc	28,000
5.	SS L-Bow	1 pcs.	536/pcs	536
6.	SS Valve 1-1/2	4 pcs.	5,000 pcs	20,000
7.	Pressure regulating valve for steam 1-1/2"	3 pcs.	30,000 pcs.	90,000
8.	Seamless MS pipe for steam 1/2", 1", 2" dia with all necessary connection for 200 rft.	One Lot		80,000
9.	Diesel Generating Set, Complete (50 KVA) Made in U.K. (Ready Stock)	1 set	5,35,000/=	535,000/=
10.	LATHE Machine 6'	1 set	50,000/=	50,000/=
			Total	1,163,336/=



**PLAN OF OPERATION AND DESCRIPTION OF FINANCIAL CONDITION
INTERNAL AND EXTERNAL SOURCES OF CASH**

(Amount Tk.)		
Internal sources of cash	30-09-2000	30-06-2000
Share Capital	10,000,000	10,000,000
Retained Earnings	13,487,641	12,999,576
External sources of cash		
Long term loan (Secured)	4,459,117	4,509,117
Loan - Sponsors'	---	---

Earning Position

Particulars	30-09-2000 (3 months)	30-06-2000 (12 months)
Sales	4,675,857	18,703,424
Cost of Goods Sold	3,686,610	13,297,705
Other Operating Expenses	476,779	1,832,442
Net Profit	488,065	3,483,945

Material commitment for Capital Expenditure and the expected sources of fund

The company has a definitive plan for the BMRE program in respect of which the following capital expenditure is being envisaged:

(Amount Tk.)			
Particulars	Incurred 30-09-2000	To be Incurred	Total
Land (2.38 acres)	575,000	-	575,000
Land Development	383,200	-	383,200
Factory Building	3,117,391	300,000	3,417,391
Plant & Machinery	3,141,868	13,240,883	16,382,751
Motor Vehicles	1,498,829	-	1,498,829
Furniture & Fixture	34,130	-	34,130
Office Equipment	52,978	-	52,978
Factory Equipments	298,680	-	298,680
Issue Expenses	-	2,000,000	2,000,000
Total Fixed Cost	9,102,076	15,540,883	24,642,959
Working Capital	18,844,682	-	18,844,682
Total project Cost	27,946,758	15,540,883	43,487,641
SOURCES OF FUNDS			
Sponsors	10,000,000	-	10,000,000
Public Offer	-	10,000,000	10,000,000
Pre-IPO Placement	-	10,000,000	10,000,000
Reserve & Surplus	13,487,641	-	13,487,641
Total Equity	23,487,641	20,000,000	43,487,641
Long term loan	4,459,117	(4,459,117)	-
Total Long term Loan	4,459,117	(4,459,117)	-
Total Means of Finance	27,946,758	15,540,883	43,487,641



Known Trends, Events or Uncertainties

Political disturbances particularly Hill Tracts problems may cause uncertainties that may have a material effect on company's business operations

Future capital expenditure

The Company does not have any plan for immediate capital expenditure after the proposed expansion. However, depending on the market demand and opportunities further diversification may be made.

VAT, customs duty and other tax liability

Since the project is located in the Hill district of Rangamati no income tax & VAT is applicable as per the Hill Tract Manual, 1900. A stay order has been issued by the Rangamti Court in favour of the company.

Lease Agreement

The company does not have any lease agreement.

Financial and Lease commitment

No financial or lease commitment has been made by the company.

Personnel Related Scheme

No provision has been made for any personnel related scheme. However, the company may take some human resources motivational scheme, such as, Provident Fund, Group Insurance, Gratuity etc. in future.

Public Issue Expenses

The share issue expenses have been estimated at Tk. 20,00,000 the break down of which is given below:

Sl.	Description	Amount in Tk.
1	Issue Management Fee	300,000
2	Underwriting Commission	250,000
3	Listing Fee DSE	100,000
4	Listing Fee CSE	100,000
4	Fee payable to SEC	70,000
5	Brokerage Commission (Approx)	50,000
6	Bankers to the Issue Commission	50,000
7	Stamp Charge	80,000
8	Publication of Prospectus	650,000
9	Printing of Prospectus & Forms	150,000
10	Printing of Allotment Letter & Share Certificates	100,000
11	Other Expenses	100,000
	Total	2,000,000

Revaluation of company's assets & summary thereof

The company has not revalued any of its assets.

Transaction between holding company and the issuer

The company does not have any subsidiary or holding company, hence inter group transactions are not applicable.



Loan Status

The Company has project loan from Bangladesh Shilpa Rin Sangstha, Dhaka at the inception of the project and status as on 30th September, 2000 stands as follows:

Project Loan	Amount (Tk.)	Interest Rate	Status
ADB - 286	1,550,478	11.50%	Unclassified
Local Currency	2,037,597	12.50%	Unclassified
Interest Free Loan	921,042	---	Unclassified
	4,509,117		
Less: Payment made of BSRS	50,000		
	4,459,117		

The loan is fully secured against mortgage all the assets of the company (except inventory) and also personal guarantee executed jointly and severally by all the Directors of the Company.

Facilities with any other Bank (Working Capital)

Name of the Bank : **Bangladesh Krishi Bank**
Branch : **Agrabad, Chittagong.**

(Tk. in million)

Type of Loan	Sanction Limit	Amount Outstanding	Interest Rate	Date of Expiry/Maturity	Status
Cash Credit (HYPO)	1.10	1.23	5%	26-06-2001	Unclassified
Cash Credit (Pledge)	2.62	2.48	5%	26-06-2001	Unclassified
L/C Limit against Imported Tin Can	1.46	0.77	5%	26-06-2001	Unclassified

The loan is secured against mortgage of the personal property of Mr. D. K. Barua, Managing Director of the company.

Declaration

To the best of our knowledge and information, the details we have provided hereinabove are true and fair with required explanation and no suppression of any material information is made which could have an impact on the offering of shares to the public.

Auditors Report about issue of shares otherwise than for Cash

SPECIAL REPORT FROM THE AUDITORS

This is to certify that "Rangamati Food Products Ltd. 95/A Betbunia, Rangamati, Bangladesh has not issued any share till date to its Sponsors/Promoters Directors in consideration otherwise than for cash.

Sd/

Chowdhury Bhattachajee & Co.
Chartered Accountants



DIRECTORS AND OFFICERS

Mr. D. K. Barua – Chairman & Managing Director, Age: 63

Mr. D. K. Barua started his career in 1962 as Jute a Technologist. He rendered his services as a consultant to entrepreneurs willing to establish new Jute Mills in the then East Pakistan. Later on he established his own trading firm dealing in various Jute Mills equipment and spare parts.

Mr. D. K. Barua established M/s. Rangamati Food Products Limited, a fruit & vegetable Processing Industry which started its commercial production in 1983. Mr. Barua, Chairman and Managing Director of the Company, has been looking after the over all management and operations of the project for last 20 years and gathered experience in this line.

Mr. P. B. Barua - Director, Age: 58

Mr. P. B. Barua obtained a Master of Science degree in Chemistry from Dhaka University in the year 1968 and Diploma in Food Technology from CFIRI, Mysore. He started his career as a chemist in a Beverage and Dairy plant in 1969 and subsequently worked as Factory Superintendent up to 1976 in the same project under Sugar and Food Industries Corporation, as Factory Manager in a Fruit Juice and vegetable processing and canning project under the same corporation where he continued from 1976 to 1979. From 1979 to 1983 he worked in crush cola bottling plant in Sharjah, UAE and in Pepsi-Cola and Seven-up bottling plant at Dhaka as Factory Manager. In 1983 he joined South Soft Drink Company, Saudi Arabia as Plant Manager and subsequently as the General Manager up to 1994. Currently he is associated with PARTEX Beverage Limited, an enterprise of PARTEX Group as a Deputy General Manager looking after the overall operation of the project.

Mr. P.B. Barua travelled many countries of the world including United States of America and attended several times international seminars on modern Food Technology and exhibition/exposition of modern food processing equipments. During his visits he gathered technical know how on development of new products and also gathered knowledge about foreign markets and buyers of processed food products. Technical aspects of the company are looked after by Mr. P.B. Barua.

Mr. Pravakar Barua – Director, Age: 50

Mr. Pravakar Barua has graduated in commerce. He started his career as business partner of a Trading firm. He has extensive knowledge about the local market related to food processing sectors in Bangladesh.

Mr. Mr. K. K. Barua – Director, Age: 45

Mr. K. K. Barua holds a Master Degree in Arts. He worked as Supervising Officer, Senior Assistant and Factory Manager in a Textile Mill. With profound knowledge in factory management for over 20 years, he looks after factory administration.

Mr. Aungla Pro Marma – Director, Age: 40

He has been a Director of the Company since 1981. He has been responsible for procurement of necessary Fruits & Vegetables from the orchards of Chittagong Hill Tracts and he has developed a good relationship with the owners of the orchards of the area and has been encouraging them to grow pineapples, Tomatoes, Jack-fruits, Papayas, Bins, Peas, Cashunuts, etc. He is academically an L.M.F.



OFFICERS OF THE COMPANY

Mr. Tafzal Ahmed – Company Secretary: Age- 57 years. B.Com. Service Experience 37 years.

Served in Agricultural Development Corporation for 4 years. Joined in the then Investment Corporation of Pakistan (ICP), one of the merging units of Bangladesh Shilpa Rin Sangstha (BSRS), in 1966 and served upto September 1993. Went on Optional Retirement in 1993. During the service tenure in the then ICP, he looked after buy/sale of Shares & Securities of the Investors maintaining Investment Accounts with ICP. In BSRS he served in Personal Department, Establishment Department Project Implementation Department, Recovery Department, Accounts Department and as Branch Manager. Retired from BSRS as Principal Officer. Served in Sohel Securities Limited, a Member Company of Chittagong Stock Exchange Limited as a Chief Executive Officer for 4 years. He is fully conversant with managing shares and securities and keeping records upto date with Registrar of Joint Stock Companies and Firms, Securities and Exchange Commission and Stock Exchanges. He is experienced in staff management, Accounts keeping and public relationing.

Particulars of Senior Executives of the company:

Sl	Name	Designation	Qualification	Age in 2000	Experience in this organization	Total Experience
1	Mr. Tafzal Ahmed	Company Secretary	B.Com	57 Yrs	2 Yrs	35 Yrs
2	Mr. A. K. Guha	Project Manager	MA (Statistics)	48 Yrs	4 Yrs	7 Yrs
3	Mr. B. D. Hore	Accountant	B.Com	40 Yrs	15 Yrs	18 Yrs
4	Mr. Pravakar Barua	Manager Marketing	Commerce Graduate	45 Yrs	10 Yrs	15 Yrs
5	Mr. M. A. Razzak	Executive	Graduate	58 Yrs	2 Yrs	30 Yrs
6	Mr. Nasir Ahmed	Accounts Executive	M.Com (Accounting)	26 Yrs	6 Months	2 ½ Yrs

Appointed / Nominated Director

There is one Director Mr. Emran Hossain nominated by BSRS.

Inter Company Director

The company does not have any subsidiary or sister concern.

Family relationship between the Directors and Officers

There is no relationship between the Directors and Officers



Retirement of Directors

Name of Directors	Date of Retirement and re-election
Mr. D. K. Barua	31-12-2000
Mr. P. B. Barua	31-12-1998
Mr. Pravakar Barua	31-12-1999
Mr. K. K. Barua	31-12-1999
Mr. Aungla Pro Marma	31-12-2000

Family Relationship among the Directors

Name of Directors	Relationship with the Chairman
Mr. D. K. Barua	Eldest Brother
Mr. P. B. Barua	Brother of Mr. D.K. Barua
Mr. Pravakar Barua	Brother of Mr. D.K. Barua
Mr. K. K. Barua	Son in law of Mr. D.K. Barua
Mr. Aungla Pro Marma	No Family relationship

Legal Embargo for IPO

There was no restriction from the Securities and Exchange Commission or from any other regulatory bodies against the company for going public. Directors & Officers are also not wanted by police or any investigating authorities.

CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS**Transaction between Company & Directors**

There is no monetary transaction between the company and its Directors or their nominees / others during the last two years. It is also stated that no such transaction took place with any of the persons owning 5% stock of the company.

Inter Family Transaction

No such record is evidenced in the books of accounts of the company.

Special Arrangement of Directors with the Company

The company did not have any Special arrangement / commitment with its Directors.

Loan Given to / taken from Directors

The company did not take any loan from any Director and did not give any loan to any Director during the last three years.

Directors' involvement in other Organizations

Name of the Directors	Involvement in other Organization
Mr. D. K. Barua	Nil
Mr. P. B. Barua	Currently associated with PARTEX Beverage Limited as Deputy General Manager in charge of overall operation of the project.
Mr. Pravakar Barua	Nil
Mr. K. K. Barua	Nil
Mr. Aungla Pro Marma	Nil

Directors' Facilities during Prospectus Publication

Facilities whether pecuniary or non- pecuniary enjoyed by the Directors will remain unchanged during the period of publication of the prospectus.



EXECUTIVE COMPENSATION

Remuneration paid to top three Executives

Name	Designation	Amount paid last year (Tk.)
Mr. Tafzal Ahmed	Company Secretary	9,600/- per month
Mr. P. Barua	Manager Marketing	8,400/- per month
Mr. A. K. Goha	Project Manger	9,600/- per month

Remuneration paid to Directors & Officers

Group	Nos.	Amount paid
a) Directors	01	Tk. 36,000/-
b) Officers	03	Tk. 276,000/-

The company did not pay any amount to any body who was not officer/director of the company during the last year. There is no contract with any director/Officer for further compensation.

Pay Increase Intention

Except usual increments, no substantial pay increase has been projected.

TRANSACTION WITH PROMOTERS

Benefit from the Company

Promoters did not receive anything of value except the reimbursement of petty expenses from time to time.

On completion of IPO, the company is expected to further consolidate its performance. The promoters, therefore, expect better dividends on their stock with the company in the days to come.

Promoters' Asset to Company

Promoters have not transferred any asset to the company but deposited share money from time to time. The company acquired assets investing the funds of its own.

OWNERSHIP OF THE COMPANY'S SECURITIES

a) Following are the details of sponsors' equities @ Tk. 10 per share:

Name & Address	No. of shares	Amount (Tk)	Percentage (%)
Mr. D. K. Barua	462,600	4,626,000	46.26
Mr. P. B. Barua	255,200	2,552,000	25.52
Mr. Pravakar Barua	84,500	845,000	8.45
Mr. K. K. Barua	65,000	650,000	6.50
Mr. Aungla Pro Marma	10,000	100,000	1.00
Mrs. Debika Barua	65,200	652,000	6.52
Mrs. Dolan Chapa Barua	57,500	575,000	5.75
Total	1,000,000	10,000,000	100.00

Securities owned by Officers

There is no share owned by the Officers of the company.



PLAN OF DISTRIBUTION

Underwriting of Shares

The public offer of 1,000,000 ordinary shares of Tk.10 each has been underwritten by the following Merchant Banks:

Name, Address	No. of Shares Underwritten	Amount (Tk.)
Prime Finance & Investment Limited 63, Dilkusha C/A (7th Floor) Dhaka-1000.	500,000	5,000,000
Bay Leasing & Investment Limited Printers Building (7th Floor) 5 Rajuk Avenue Dhaka-1000	150,000	1,500,000
Capital Market Services Limited Suite 702, (7th Floor) 28 Dilkusha C/A Dhaka-1000	100,000	1,000,000
Equity Partners Limited 1003 DSE Annex Building (9th Floor) 9/E Motijheel C/A Dhaka-1000	150,000	1,500,000
Swadesh Investment Management Limited 3/1 Bijoy Nagar VIP Road Dhaka-1000	100,000	1,000,000
Total	1,000,000	10,000,000

Terms & Conditions

- 1) If and to the extent the shares offered to the public through a Prospectus authorised hereunder are not subscribed and paid for in cash in full by the closing date, the company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing to subscribe the shares not subscribed and ask the underwriters to pay for those in cash in full within 15 (fifteen) days of the date of the said notice and the said amount shall have to be credited into shares subscription account within the said period.
- 2) If payment is made by Cheque / Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under his Agreement until such time as the Cheque / Bank Draft has been encased and the company's account credited.
- 3) In any case the company shall send proof of subscription and deposit of share money by the underwriters to the commission within 7 (seven) days of the expiry of the aforesaid 15 (fifteen) days.

Commission for Underwriters

- 1) Underwriters will be paid an underwriting commission @ 2.5% of the nominal value of shares underwritten by them out of the public issue.

Simultaneously with calling upon an underwriter to subscribe or procure subscriber, and pay for any number of shares, the company shall pay to that underwriter an additional commission @ 2.5% of the nominal amount required to be subscribed by it.



MARKET FOR THE SECURITIES BEING OFFERED

The securities will be traded at:

Dhaka Stock Exchange Limited
9F, Motijheel C/A
Dhaka-1000.

Chittagong Stock Exchange Limited
CSE Building
1080 Sheikh Mujib Road
Chittagong - 4100

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, preemption Rights

The share capital of the company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the company Act 1994 and the articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of general Meeting - Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorised representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him.

Right for Transfer

In terms of the provisions of the Company Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the company are freely transferable. The company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or persons of unsound mind.

Dividend Policy

- a) The profit of the company, subject to any special right relating thereto created or authorised to be created by the Memorandum of Association subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.
- b) No larger dividend shall be declared than is recommended by the directors, but the company in its General Meeting may declare a smaller dividend. The declaration of directors as to the amount of net profit of the company shall be conclusive.
- c) No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividend shall not carry interest against the company.
- d) The Directors may from time to time pay the members such interim dividend as in their judgement the financial position of the company may justify.

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

Other Rights of Stock Holders

The Directors shall present the financial statements as required under the law. Financial statements will be prepared in accordance with International Accounting Standards consistently applied throughout the subsequent periods and presented with the objective of providing maximum disclosure as per law and International Accounting standard to the shareholders regarding the financial and operational position of the company.



FINANCIAL STRUCTURE

Authorized Capital	Amount (Tk.)
10,000,000 ordinary shares of Tk. 10 each.	100,000,000

Paid-up Capital	10,000,000
-----------------	------------

1. Sponsors:

Local Sponsors have subscribed

1,000,000 Ordinary Shares of Tk. 10 each have been subscribed and paid in full by the sponsors.

10,000,000

The shares which are subscribed by the sponsors as described in the prospectus, shall be subject to a Lock-in-period as under:

"Three years in case of companies intending to go for initial public offering (IPO) from the date of its approval thereof by the Commission or from the start of its commercial operation whichever is later."

A 'Jumbo' Share Certificate (One for each existing Sponsor/Director/ Existing Shareholder) is to be issued covering his respective total holdings. Their share holdings may be converted into market lots only after the expiry of the lock-in-period of three years with intimation to SEC and Stock Exchanges.

Total Tk.	<u>10,000,000</u>
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Placement

The following Financial Institutions, Companies, Private Parties have already subscribed 1,000,000 Ordinary Shares of Tk. 10 each at par:

Sl.	Name & Address	Occupation	No. of Shares	Amount (Tk.)
1.	Prime Finance & Investment Limited 63, Dilkusha C/A (7th Floor) Dhaka-1000	Merchant Bank	250,000	2,500,000
2	Capital Market Services Limited Suite 702, (7th Floor) 28 Dilkusha C/A Dhaka-1000.	Merchant Bank	30,000	300,000
3	Raspit Securities Management Limited House No. 55A, Road No. 4A Dhanmondi (2nd Floor) Dhaka-1209	Merchant Bank	50,000	500,000
4	Grameen Securities Management Limited Grameen Bank Bhaban Mirpur Two Dhaka-1216	Merchant Bank	50,000	500,000
5	Equity Partners Limited 1003 DSE Annex Building, (9th Floor) 9/E Motijheel C/A Dhaka-1000.	Merchant Bank	50,000	500,000
6	Union Capital Limited Sonartori Tower (14th Floor) 12 Sonargaon Road Dhaka-1000	Financial Institution	50,000	500,000
7.	Prime Finance & Investment Limited <i>Portfolio Account Holders</i>	Merchant Bank	330,000	3,300,000
8	Capital Market Services Limited <i>Portfolio Account Holders</i>	Merchant Bank	190,000	1,900,000
	Total		1,000,000	10,000,000

Private placement of shares shall be subject to a lock-in for one year (excepting mutual fund, portfolio manager and other financial institutions). Shares in private placement, if fall under the category of sponsors, shall be locked-in for 3 (three) years.



IPO
will be of 1,000,000 shares @ Tk. 10 each totalling Tk. 10,000,000. As per "Public Issue Rules 1998" 10% has been reserved for NRB, leaving a balance of 90% for the General Public. The position is thus as follows:

1. 100,000 Ordinary Shares of Tk.10 each are hereby being offered at par to Non Resident Bangladeshis for subscription in cash in full on application.	1,000,000
2. 900,000 Ordinary Shares of Tk.10 each at par are hereby being offered at par to the General Public for subscription in cash in full on application.	<u>9,000,000</u>
Total	<u>10,000,000</u>

CONDITIONS OF OFFER AND ALLOTMENT OF SHARES

1. All shares as stated in item 1 shall be offered for subscription and subsequent allotment by the issue manager, subject to any restriction which may be imposed, from time to time, by the Securities and Exchange Commission.
2. In case of over-subscription of both the categories the issue manager shall conduct an open **lottery** of all the applications received under each category separately.
3. In case of under subscription of both the categories the unsubscribed portion of share shall be taken up by the underwriters.
4. In case of under subscription under the 10% category as mentioned in item 1 the unsubscribed portion shall be added to the general public category and if after such addition there is over subscription in the general public category the issue manager shall conduct an open **lottery** for all the applicants added together.
5. In case of over subscription under 10% category as mentioned in item 1, the over subscription portion shall be added to the general public category and if after such addition there is over subscription in the general public category the issue manager shall conduct an open **lottery** for all the applicants added together.
6. The lottery as stated in items 2, 4 and 5 shall be conducted in the presence of authorized representatives of DSE & CSE, **Members** of the Board of the Company and Issue Manager and the applicants if present.
7. There is no founders' management or deferred shares, it is also not presently intended to issue any preference shares.



8. No payment has been or is intended to be made to the promoters, directors or other persons for promotion of the company.
9. The minimum subscription on which Directors will proceed to allotment is the full amount of the present issue which in the opinion of the Directors must be raised in order to provide fund required by the Company.
10. The NRB applicants, after completing and signing will submit the application forms along with foreign Bank Drafts in US Dollar/UK Pound Sterling payable in Dhaka to the issuer Companies office directly.

Allotment

1. The Company reserves the right of accepting any application either in whole or in part. Successful applicants will be notified by the despatch of an allotment letter by registered post/courier. Letters of Allotment and Refund Warrants will be issued within 40 (forty) days from the closing of the subscription list and Share Certificates will be issued within 90 (ninety) days from the date of closing of subscription lists.
2. Where an application is rejected or is not accepted in full, the entire amount or the balance of the amount, as the case may be, received with the application will be refunded to the concerned applicant within 40(forty) days of closing of subscription list by cheques without interest. Interest at the rate of 5% above the bank rate will be paid to the unsuccessful applicants whose application money is refunded after 40(forty) days from the date of closing of subscription.
3. Where allotment is made in whole or in part in respect of joint application, the allotment letter will be despatched to the person whose name appears first in the application form, notwithstanding that the shares have been allotted to the joint applicants. Where joint application is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.



APPLICATION FOR SUBSCRIPTION

1. Application for shares may be made for a minimum lot of 500 Ordinary shares of the value of Tk. 5,000 and should be made on the company's Printed Application forms. Application Forms and Prospectuses may be obtained from the Registered Office of the Company, members of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. or from the Bankers to the issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/hand written/typed copies of the forms. Applications must not be for less than 500 shares or a multiple thereof. Any application not meeting this criterion will not be considered for allotment purpose.
2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.
3. Applications must be in full names of individuals or limited companies or trusts or societies and not in the names of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.
4. An applicant can submit not more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purpose.
5. Bangladeshi Nationals (including non-resident Bangladeshi Nationals working abroad) and Foreign Nationals shall be entitled to apply for shares.
6. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/offices of the banks mentioned below in Cash/Cheque/Bank Pay Order/Bank Draft. The Cheque/Bank Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked "**Rangamati Food Products Ltd.**" and shall bear the crossing "A/C Payee Only" and must be drawn on a bank in the same town of the bank with which application form is deposited.
7. All completed application forms together with remittances for the full amount payable on application shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue (VIDE INSTRUCTIONS for Application for Shares by investors other than Non-Resident Bangladeshis)



A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for. The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over-subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share Application Form against 10% quota for NRB shall be sent by the applicant directly alongwith a draft or cheque to the Company at its registered office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E., Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea, India, Singapore, Thailand.

The subscription money collected from investors (other than Non-Resident Bangladeshis in US Dollar or UK Pound Sterling) by the Bankers to the Issue will be remitted to the **STD A/C No. 08**, Bangladesh Shilpa Rin Sangstha (BSRS), Motijheel (Commercial Banking Branch) Dhaka-1000, Bangladesh for this purpose.

9. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling shall be deposited to "FC Account for IPO". In case of over-subscription, refund shall be made by the Company out of the "FC Account for IPO". The Company shall open only one "FC Account for IPO" in US Dollar or UK Pound Sterling with a Bank on approval of Prospectus by SEC; and close these accounts after refund of over-subscription, if any.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.



UNDERWRITERS' OBLIGATION

If and to the extent the shares offered to the public through a prospectus authorized hereunder are not subscribed and paid for in cash in full by the closing date, the company shall within 10 (ten) days of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the shares not subscribed within the closing date and to pay for cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15(fifteen) days after being called upon to do so. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement until such time as the Cheque/Bank Draft has been encashed and the company's account credited. In any case within 7(seven) days of the expiry of the aforesaid 15(fifteen) days, the company shall send proof of subscription and payment by the underwriters to the commission.

In the case of failure by the underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue until such time as he fulfils his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission may be imposed on him.

UNDERWRITING COMMISSION:

Underwriters will be paid an underwriting commission @ 2.5% of the nominal value of shares underwritten by them out of the public issue. Simultaneously with calling upon an underwriter to subscribe or procure subscriber, and pay for any number of shares remaining unsubscribed, the company shall pay to that underwriter an additional commission @ 2.5% of the nominal amount of the shares required to be subscribed by him.

COMMISSION TO THE BANKERS' TO THE ISSUE:

Commission at the rate of 1/4th of 1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

MANAGER TO THE ISSUE:

Prime Finance & Investment Limited is the Manager to the Issue The Company shall pay fees @ 1.5% of the amount of issue to the Manager to the Issue in total.

BROKERAGE:

The Company will pay brokerage fee @ 1% only on the paid up value of shares allotted to the members of Dhaka and Chittagong Stock Exchanges on applications bearing their rubber stamp. Neither the brokerage to the brokers nor commission to the bankers shall be payable in respect of the shares taken by the underwriters in discharge of their underwriting obligation and the shares placed under private placement arrangement.



CLASSIFIED INFORMATION

AUDITORS

Chowdhury Bhattacharjee & Co.
Chartered Accountants
70-B/4, Indira Road
Dhaka-1215

LEGAL ADVISOR

Mr. Protim Dewan
B.Co. (Hon's) LLB
Advocate
Rangamati Court

PRINCIPAL BANKER

Bangladesh Krishi Bank
Agrabad Branch
Chittagong.

MANAGER TO THE ISSUE

Prime Finance & Investment Limited
63, Dilkusha C/A (7th Floor)
Dhaka-1000.
Tel: 9563882-3
Fax: 9563692

COMPANY'S COMPLIANCE OFFICER

Mr. M. A. Razzak
Executive

All investors are hereby informed that the company has appointed a Compliance Officer who may be contacted in case of any pre-issue/post issue related problems such as, non-receipt of letters of allotment/share certificates/refund warrants etc.

MATERIAL CONTRACTS

- a) Underwriting Agreements between the Company and the Underwriters.
- b) Issue Management Agreement between the Company and Prime Finance & Investment Limited, Manager to the Issue.

Copies of the aforementioned contracts and documents and a copy of Memorandum of Association and Articles of Association of the Company and the Consent Order from Securities Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.



RANGAMATI FOOD PRODUCTS LTD. APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHIS

Warning : Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Directors

Rangamati Food Products Ltd.

Suite No. 202 (2nd Floor)

Dilkusha Centre

28 Dilkusha C/A

Dhaka-1000

Banker Sl. No.

Dear Sir(s),

I/we apply for and request you to allot me/us the following number of shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved prospectus and subject to the Memorandum of Association and Articles of Association of the Company. Further, I/we authorise you to place my/our name(s) on the Register of Members of the Company as the holder(s) of Ordinary Shares allotted to me/us pursuant to this application and to send Allotment Letter in respect thereof and/or a crossed (account payee only) cheque in respect of any application money returnable by post/courier at my/our risk to the first applicant's address stated below :

1. No. of shares of Tk. 10 each
2. Amount of Tk. *(in figure)* *(in words)*
Cash/Cheque/Draft/Pay Order No. date
on Bank Branch
3. I/we agree to fully abide by the instructions given herein.
4. Particulars of Applicant(s) :

Sole/First Applicant : Mr./Mrs./Ms :

Father's/Husband's name :

Postal address :

Occupation :

Nationality :

For refund warrant : Applicant's Bank A/C No. :

Name of the Bank :

Branch :

Second Applicant : Mr./Mrs./Ms :

Father's/Husband's name :

Postal address :

Occupation :

Nationality :

6. Specimen Signature(s) :

(i) Name *(in block letters)*

Signature :

(ii) Name *(in block letters)*

Signature :

BANKER'S ACKNOWLEDGEMENT

Certified that this bank has received Tk. (in word) only from Mr./Mrs./Ms. being application money for ordinary shares of Rangamati Food Products Ltd.

Banker's Sl. no.

Seal and Date

Authorised Signature
(Name & Designation)

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INSTRUCTIONS

- All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
2. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
 3. Application must not be for less than 500 ordinary shares and must be for a multiple of 500 ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
 4. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers to the Issue **"Rangamati Food Products Ltd."** and crossed "A/c Payee only" and must be drawn on a bank in the same town as the bank to which the application form has been sent.
 5. In the case of a joint application form, the allotment letter will be despatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
 6. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
 7. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Association and Certificate of Incorporation.
 8. An applicant can not submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, those in excess of two applications shall not be considered for allotment purposes.
 9. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
 10. Refund will be made only through "Account Payee" cheques with Bank A/c No. and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
 11. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
 12. Making any false statement in the application or supplying incorrect information therein or suppressing any relevant information will make the application liable to rejection and subject to forfeiture of application money. The said application money will be deposited in the account specified by the SEC. This may be in addition to any other penalties as may be provided for by law.
 13. Applications which do not meet the above requirements, or applications which are incomplete, shall not be considered for allotment purpose.



BANKERS TO THE ISSUE

Investment Corporation of Bangladesh (ICB)

Head Office, Dhaka
Local Office, Dhaka
Chittagong Branch, Chittagong
Rajshahi Branch, Rajshahi
Khulna Branch, Khulna
Sylhet Branch, Sylhet
Barishan Branch, Barishal
Bogra Branch, Bogra

A. B. Bank Ltd.

Principal Branch, Dhaka
New Elephant Rd. Branch, Dhaka
Nawbpur Branch, Dhaka
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
Bandar Bazar Sylhet

Dhaka Bank Limited

Local Office, Dhaka
Banani Branch, Dhaka
Islampur Branch, Dhaka
Bangshal Branch, Dhaka
Imamgonj Branch, Dhaka
Narayanganj Branch,
Narayanganj
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
Jubilee Road Branch, Chittagong

BSRS

Motijheel Branch, Dhaka

Eastern Bank Ltd.

Principal Branch, Dhaka
Agrabad Branch, Chittagong
Khulna Branch, Khulna
Laidighir Par Branch, Sylhet.

National Credit & Commerce Bank Ltd.

Motijheel Branch, Dhaka
Moghbar Branch, Dhaka
Mirpur Branch, Dhaka
Dhanmondi Branch, Dhaka
Mitford Branch, Dhaka
Agrabad Branch, Chittagong
Rangpur Branch, Rangpur

Al Baraka Bank (BD) Ltd.

Principal Office, Dhaka
Karwan Bazar Branch, Dhaka
VIP Road Branch, Dhaka
Agrabad Branch, Chittagong
Khulna Branch, Khulna
Rajshahi Branch, Rajshahi

National Bank Limited

Motijheel Branch, Dhaka
Dilkusha Branch, Dhaka
Mohakhali Branch, Dhaka
Kawran Branch, Dhaka
Elephant Road, Dhaka
Foreign Exchange Br., Dhaka
Imamgonj Branch, Dhaka
Bangsal Branch, Dhaka
Agrabad Branch, Chittagong
Khatunganj Branch, Chittagong
Jubilee Road Br., Chittagong
Mymensingh Br., Mymensingh
Comilla Branch, Comilla
Jessore Branch, Jessore

Southeast Bank Ltd.

Principal Branch, Dhaka
Gulshan Branch, Dhaka
Agrabad Branch, Chittagong
Laldighirpar Branch, Sylhet

Prime Bank Ltd.

Motijheel Branch, Dhaka
Moulvibazar Branch, Dhaka
Mohakhali Branch, Dhaka
Islamic Banking Branch, Dhaka
Kawran Bazar Branch, Dhaka
Elephant Rd Branch, Dhaka
Mouchak Branch, Dhaka
Gulshan Branch, Dhaka
Khatunganj Branch, Chittagong
Khulna Branch, Khulna
Barishal Branch, Barisal
Sylhet Branch, Sylhet
Rajshahi Branch, Rajshahi
Moulvibazar Branch, Sylhet
Islamic Banking Branch, Sylhet
Narayanganj Br., Narayanganj

Bangladesh Krishi Bank

Local Office, Dhaka
Kawran Bazar Branch, Dhaka
Shaymoly Branch, Dhaka
Zurain Branch, Dhaka
Malakartola Branch, Dhaka
Chakbazar Branch, Dhaka
Agrabad Branch, Chittagong
Chittagong Branch, Chittagong
Sholoshahar Branch, Chittagong
Korbanigonj Branch, Chittagong
Chalpotti Branch, Chittagong
Comilla Branch, Comilla
Pulish Line Branch, Comilla
Sylhet Branch, Sylhet
Ambarkhana Branch, Sylhet
Bander Bazar Branch, Sylhet
Barisal Branch, Barisal
Faridpur Branch, Faridpur
Khulna Branch, Khulna
K. D. A. Branch, Khulna
Mymensingh Branch, Mymensingh



RANGAMATI FOOD PRODUCTS LTD.
APPLICATION FORM
APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS
 (To be sent directly to the company's corporate office)

Warning : Please read the instructions at the back of this form. Incorrectly filled applications may be rejected.

The Directors

Rangamati Food Products Ltd.
 Suite No. 202 (2nd Floor)
 Dilkusha Centre
 28 Dilkusha C/A
 Dhaka-1000

Banker Sl. No.

Dear Sir(s),

I/we apply for and request you to allot me/us the following number of shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved prospectus and subject to the Memorandum of Association and Articles of Association of the Company. Further, I/we authorise you to place my/our name(s) on the Register of Members of the Company as the holder(s) of Ordinary Shares allotted to me/us pursuant to this application and to send Allotment Letter in respect thereof and/or a crossed (account payee only) cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below :

1. No. of Shares of Tk. 10 each (at par)
2. Amount in Tk. (in figure), (in words), convertible into US\$ at US\$ 1=Tk. 53.56, or UK£ at UK£ 1=Tk. 78.4349
3. Payment by Cheque/Draft No. date for US\$ or UK£ or Tk. drawn on Bank Branch.
4. I/we fully agree to abide by the instructions given herein.
5. Particulars of Applicant(s) :

Sole/First Applicant : Mr./Mrs./Ms :

Father's/Husband's name :

Mailing address :

Occupation :

Nationality :

Passport No. :

Valid upto :

Date of birth :

For Refund Warrant : Applicant's Bank A/C No. :

Name of the Bank :

Branch :

Second Applicant : Mr./Mrs./Ms :

Father's/Husband's name :

Mailing address :

Occupation :

Nationality :

Passport No. :

Valid upto :

Date of birth :

Nominee :

Name :

Mailing Address :

Specimen Signature(s) :

Sole/First Applicant :

Second Applicant :

Nominee :



INSTRUCTIONS

1. All information must be written or typed in block letters in English and must not be abbreviated.
2. An application must not be for less than 500 shares having the value of Tk. 5000 or a multiple thereof.
3. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favouring "Rangamati Food Products Ltd." and crossed "Account payee only".
4. An application shall be sent by the applicant directly to the Company by 05 APRIL, 2001 so as to reach the Company by 14TH APRIL, 2001. Applications sent after 05 APRIL, 2001 or received by the Company after 14TH APRIL, 2001 will not be considered for allotment purpose.
5. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch.
6. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.
7. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
8. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
9. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
10. Making any false statement or supplying incorrect information or suppressing any relevant information in the application shall make it liable to rejection and subject to forfeiture of the application money.
11. The intending NRB applicants shall deposit share money by US\$/UK sterling pound draft drawn on any Bank and payable in Dhaka, Bangladesh, so that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.

The NRB application along with the foreign draft, as above, is to be submitted to the Company's Head Office direct within the stipulated time mentioned in para 4.



AUDITORS REPORT TO THE SHAREHOLDERS

We have audited the accompanying Balance Sheet of the RANGAMATI FOOD PRODUCTS LIMITED as of 30 September, 2000 and the related profit and loss statement together with the accompanying cash flow statement for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards adopted by the Institute of Chartered Accountants of Bangladesh. Those standard require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements, prepared in accordance with approved Accounting Standards adopted by the Institute of Chartered Accountants of Bangladesh, give a true and fair view of the state of the Company's affairs as of 30 September, 2000 and of the results of its operations for the year then ended on that date in compliance with the Companies Act, 1994 and other applicable laws and regulations.

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 purpose 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 adequate for the purpose of our audit.
- (c) the company's balance sheet and profit and loss statement dealt with by the report are in agreement with the books of account.

15 January, 2001



(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS



RANGAMATI FOOD PRODUCTS LIMITED
95/A BETBUNIA, RANGAMATI



BALANCE SHEET
AS AT 30 SEPTEMBER 2000

	NOTES	July'00-Sept'00 (3 months)	1999-2000 (1 year)
NET ASSETS			
FIXED ASSETS	3.00		
At cost		13,408,987	13,408,987
less accu.depreciation		4,306,911	4,149,266
		9,102,076	9,259,721
CURRENT ASSETS			
Inventories	4.00	9,237,460	8,695,615
Advance, Deposit & Pre-payment	5.00	2,100,000	2,100,000
Trade Debtors	6.00	11,333,347	11,083,347
Cash and Bank balance	7.00	715,359	1,185,988
		23,386,166	23,064,950
Less : CURRENT LIABILITIES			
Liabilities for goods & expenses	8.00	60,085	351,293
Short Term Loan	9.00	4,481,399	4,464,685
		4,541,484	4,815,978
NET CURRENT ASSETS		18,844,682	18,248,972
NET TOTAL ASSETS		Taka 27,946,758	27,508,693

FINANCED BY :

AUTHORISED CAPITAL :
10,000,000 Ordinary Shares of
Tk 10/- each

Taka 100,000,000 100,000,000

SHARE HOLDERS EQUITY:
Issued, Subscribed & Paid up Capital :
1,000,000 Ordinary Shares of Tk 10/-
each fully paid up in cash

10.00 10,000,000 10,000,000

Accumulated Surplus

11.00 13,487,641 12,999,576
23,487,641 22,999,576

LONG TERM LOAN (SECURED)

12.00 4,459,117 4,509,117

Taka 27,946,758 27,508,693

The annexed Notes form an
integral part of these Financial
Statement.

This is the Balance Sheet referred to in our
report of same date.

Managing Director

Director

(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS

Dhaka
15 January, 2001



RANGAMATI FOOD PRODUCTS LIMITED
95/A BETBUNIA, RANGAMATI

PROFIT AND LOSS STATEMENT
FOR THE PERIOD FROM 01 JULY TO 30 SEPTEMBER 2000

	NOTES	July'00-Sept'00 (3 months)	1999-2000 (1 year)
TURNOVER	13.00	4,675,857	18,703,424
Less Cost of Goods Sold :	14.00	3,686,610	13,297,705
GROSS PROFIT		989,247	5,405,719
Less : Administrative, Selling & Distribution and Financial Overhead	15.00	476,779	1,832,442
Net Profit from operation before WPPF		512,468	3,573,277
Less Allocation for WPPF		24,403	89,332
NET PROFIT FOR THE PERIOD		488,065	3,483,945
Surplus Brought Forward		12,999,576	142,677
Prior Years Adjustments - Bank interest exempted-written back		-	9,372,954
Surplus carried forward		13,487,641	12,999,576

The annexed Notes form an
integral part of these Financial
Statement.

This is the Profit & Loss statement referred to
in our report of same date.

Managing Director

Director

(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS

Dhaka
15 January, 2001



RANGAMATI FOOD PRODUCTS LIMITED
95/A BETBUNIA, RANGAMATI

CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2000



	July'00 - Sept'00 (3 months)	1999-2000 1 year
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Fund generated from operation		
Net Profit for the period	488,065	3,483,945
Add: Adjustment for non-cash expenses i.e. Depreciation	157,645	738,751
	645,710	4,222,696
B. CHANGE IN WORKING CAPITAL		
Inventories	(541,845)	(1,253,862)
Trade Debtors	(250,000)	(1,961,604)
Liabilities for goods & expenses	(291,208)	(23,408)
Short Term loan	16,714	-
	(1,066,339)	(3,238,874)
C. CASH FLOW FROM FINANCIAL ACTIVITIES:		
Repayment of Long Term Loan	(50,000)	(9,871,059)
Bank Interest exempted-written back	-	9,372,954
	(50,000)	(498,105)
D. CASH FLOW FROM INVESTING ACTIVITY, PURCHASE OF FIXED ASSETS	-	(147,625)
INCREASE/(DECREASE) IN CASH AND BANK BALANCE	(470,629)	338,092
CASH AND BANK BALANCE AT OPENING	1,185,988	847,896
CASH AND BANK BALANCE AT CLOSING	Taka 715,359	1,185,988

This is the Cash flow referred to in our
report of same date

Managing Director

Director

Dhaka
15 January, 2001

(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS



RANGAMATI FOOD PRODUCTS LIMITED
95/A BETBUNIA, RANGAMATI

NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD FROM 01 JULY TO 30 SEPTEMBER 2000

1.00 BACKGROUND OF THE COMPANY:

Rangamati Food Products Limited was incorporated on 22 June 1979 vide Registration No. 7090 of 1978-79 under the Companies Act 1913 and subsequently converted as a public Limited Company in 1996. The registered office of the company is at 95/A, Betbunia, Rangamati, and the factory is located at 95/A, Betbunia, Rangamati.

2.00 ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATIONS :

(a) Accounting Convention and Basis

The Financial Statements have been prepared under generally accepted accounting principles on historical cost convention.

(b) Statement of Compliance with Local Laws

The Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994; Securities and Exchange Rules, 1987, and other relevant local laws as applicable.

(c) Statement of Compliance with International Accounting Standard

The Financial Statements have been prepared in compliance with requirements of the International Accounting Standards (ISA) approved by the International Accounting Standard Committee (ISAC) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable.

(d) Reporting Currency

The figures in the Financial Statements are in Bangladesh Taka currency which have been rounded off to the nearest Taka.

(e) Taxation

Income Tax and VAT is not applicable for Chittagong Hill Tracts as per Hill - tracts manual 1900 and in this connection a stay order has been issued by the Rangamati Court.

(f) Fixed Assets

All Fixed Assets are stated at cost less accumulated depreciation. Land & Land Development are stated at cost, as depreciation is not charged on this type of assets.

(g) Depreciation

All Fixed Assets except Land & Land Development have been depreciation at a reducing balance method at the rates varying from 2.5% to 20% depending on the estimated useful life of the assets from the date of commercial production. No depreciation has been charged on addition of assets during the period under review.

Contd..P/2





(h) Inventories

Inventories are valued at cost being lower than net realisable value. The cost of Inventories comprise all cost of the purchase, cost of conversion and other cost incurred to bring the stocks to existing form and condition. The value of stocks are assigned by using weighted average cost.

3.00 FIXED ASSETS

It represents the total balance of Fixed Assets at cost less accumulated depreciation as on 30 September 2000. This is made up as follows:

	July'00 - Sept'00 (3 months)	1999-2000 1 year
Opening balance (Cost)	13,408,987.00	13,261,362.00
Add. Addition during the year	-	147,625.00
	13,408,987.00	13,408,987.00
Less. Accumulated depreciation	4,306,911.00	4,149,266.00
	9,102,076.00	9,259,721.00

The details of the Addition of Fixed Assets are as under:

a) Land & Land Development	-	60,210.00
b) Factory Building	-	20,704.00
c) Plant & Machinery	-	50,302.00
d) Motor Vehicles	-	1,701.00
e) Furniture & Fixture	-	5,708.00
f) Office equipment	-	9,000.00
g) Factory	-	-
Total Taka	-	147,625.00

The Assets were physically verified by us and found in order as per Fixed Assets register. The details of Fixed Assets has been shown in "Schedule - A"

The total cost of Land and Land Development shown in Schedule "A" represents

Land (2.38 acres)	575,000.00
Land Development	383,200.00
Tk.	958,200.00

4.00 INVENTORIES

This is made up as follows:

Finished goods	3,011,300.00	3,051,335.00
Raw Materials	1,730,350.00	1,235,460.00
Chemicals	143,202.00	53,405.00
Packing Materials	4,102,204.00	4,304,410.00
Fuel & Oil	145,204.00	47,505.00
Stores & Spares	105,200.00	3,500.00
Total Taka	9,237,460.00	8,695,615.00

Finished stock valued Tk. 975,000.00 pledged with Bangladesh Krishi Bank were declared as damaged by the Bank. The reason for high ratio of the Inventories to turnover is stated below:





As regards raw materials & finished goods

It is the nature of business that agricultural products viz pineapple, mango, orange, tomato, lemon etc are used as raw materials which are grown seasonally. For that reason stock is procured on seasonally and also produced mainly on seasonal basis as consistent to earlier years.

As regards Packing materials

Tin can is imported from abroad opening L/C with a bank. A sizable quantity is imported for economy in transport and other incidental charge.

5.00 ADVANCE, DEPOSIT & PRE-PAYMENTS

TK 2,100,000.00

Advance against building construction	1,200,000.00
Advance against brick supply	850,000.00
Advance to consultants (PFI)	50,000.00

Total Taka 2,100,000.00

6.00 TRADE DEBTORS

TK 11,333,347.00

Institutional buyer	1,999,869.00
Retail shops	6,089,270.00
Distributor/Agent	3,244,208.00

Total Taka 11,333,347.00

The above amount of debt occurred in the ordinary course of business and consists of established shops and institutional buyers as such is considered good though some debts are being accumulated for long time.

Aging is given below:

Below	120 days	48 lacs
Within	121 to 180 day	40 lacs
Above	180 days	25 lacs

Total Taka 113 lacs

7.00 CASH AND BANK BALANCE

This is made up as follows:

Cash in hand	713,510.00	1,089,132.00
Cash at banks	1,849.00	96,856.00
TK	<u>715,359.00</u>	<u>1,185,988.00</u>

We have obtained a cash custody certificate from the authority against the balance of Cash in hand as on 30 September, 2000.

Bank balance represents balance with Current Account No. 11007280 maintained with the City Bank Limited, Agrabad Branch, Chittagong.





8.00 LIABILITIES FOR GOODS & EXPENSES

8.01 Liabilities for goods supplied	20,105.00	27,713.00
8.02 Liabilities for expenses	39,980.00	323,580.00
	<u>Tk. 60,085.00</u>	<u>351,293.00</u>

8.01 Liabilities for goods supplied

(i) Mr. Saydul Haque, Supplier	12,100.00	12,108.00
(ii) Mr. Amin Ali, Supplier	8,005.00	15,605.00
	<u>Tk. 20,105.00</u>	<u>27,713.00</u>

8.02 Liabilities for expenses

(i) Provision for Telephone Bill	2,080.00	2,193.00
(ii) Provision for Electricity	2,930.00	2,820.00
(iii) Provision for Audit Fee	10,000.00	20,000.00
(iv) WPPF	24,970.00	298,567.00
	<u>Tk. 39,980.00</u>	<u>323,580.00</u>

The Workers' Profit Participation Fund from now onward will be distributed among the workers together with arrears.

9.00 SHORT TERM LOAN

July'00 - Sept'00 (3 months)	1999-2000 1 year
<u>Tk. 4,481,399.21</u>	<u>4,464,685.00</u>

This is made up as follows:

9.01 Cash credit pledge	2,478,493.85	2,444,132.00
9.02 Cash credit Hypothecation	1,234,287.04	1,218,715.00
9.03 Cash credit pledge (Tincan)	768,618.32	801,838.00
	<u>4,481,399.21</u>	<u>4,464,685.00</u>

This is noted that Cash credit (pledge) was taken from Bangladesh Krishi Bank bearing rate of interest @ 5% per annum at quarterly and Cash credit (Hypothecation) was also taken from Bangladesh Krishi Bank against mortgage of the personal property of Mr. D.K. Barua, Managing Director.

The rate of interest of the loan is 5% per annum a quarterly rate.

Contd. P/5





10.00 PAID UP CAPITAL

July'00 - Sept'00 (3 months)	1999-2000 1 year
TK. 10,000,000.00	10,000,000.00

This represents the total balance of issued, Subscribed & Paid up Share Capital as on 30 September 1,000,000 shares of Tk. 10/- each fully paid by the sponsors.

The Company has no non-resident Shareholders

Details of Subscription is as under:

	July'00 - Sept'00 (3 months)	1999-2000 1 year
1. Mr. D.K. Barua - Managing Director	4,626,000.00	4,626,000.00
2. Mr. P.B. Barua - Technical Director	2,552,000.00	2,552,000.00
3. Pravakar Barua - Director	845,000.00	845,000.00
4. Mr. K.K. Barua - Director	650,000.00	650,000.00
5. Mr. Aunglaprue Marma - Director	100,000.00	100,000.00
6. Mrs. Debika Barua - Shareholder	652,000.00	652,000.00
7. Mrs. Dolan Chapa Barua - Shareholder	575,000.00	575,000.00
Total Share Capital	Tk. 10,000,000.00	10,000,000.00

11.00 ACCUMULATED SURPLUS

July'00 - Sept'00 (3 months)	1999-2000 1 year
TK. 13,487,641.00	12,999,576.00
12,999,576.00	142,677.00
488,065.00	3,483,945.00
13,487,641.00	3,626,622.00
	9,372,954.00
TK. 13,487,641.00	12,999,576.00

This is made up as follows:

Surplus/(Deficit) from previous year
Add: Surplus for the period

Add: Bank Interest exempted-written-back

12.00 LONG TERM LOAN

TK. 4,459,117.00	4,509,117.00
1,550,478.00	1,550,478.00
2,037,597.00	2,037,597.00
921,042.00	921,042.00
4,509,117.00	4,509,117.00
50,000.00	-
4,459,117.00	4,509,117.00

This represents the following
balances with BSRS:

- I) ADB - 286
- II) Local Currency
- III) Interest Free Loan

Less: Payment made to BSRS



Contd. P/6



The Company received US \$ 78,000 equivalent (Tk. 1,170 million) as foreign currency loan and Tk. 2.15 million as local currency loan from BSRS vide letter No. OA-219/3330 in April 25, 1979 bearing interest @12.5% & 11.5% respectively.

The loan is fully secured against Mortgage all the assets (except Inventory) and also personal guarantee executed jointly and severally by all the Directors of the Company.

13.00 SALES

TK. 4,675,857.00 18,703,424.00

This is made up as follows:

Particulars	Qty. No.	July'00 - Sept'00 (3 months)	1999-2000 1 year
Pineapple Juice 850 gm, Tin Can	15,875	682,625.00	2,730,500.00
Pineapple Slice 850 gm, Tin Can	2,990	152,490.00	609,960.00
Pineapple pieces 850 gm, Tin can	3,338	156,886.00	627,544.00
Mango juice 850 gm, Tin can	7,750	333,250.00	1,333,000.00
Tomato purce 850 gm, Tin can	3,875	23,250.00	93,000.00
Tomato paste 850 gm, Tin can	2,250	114,750.00	459,000.00
Tomato juice 850 gm, Tin can	250	19,250.00	77,000.00
Orange juice 850 gm, Tin Can	2,700	116,100.00	464,400.00
Green peas 850 gm, Tin Can	2,600	106,600.00	426,400.00
Hilsha Fish 850 gm, Tin Can	10,910	1,200,100.00	4,800,400.00
Meat/Mutton 850 gm, Tin can	5,356	749,875.00	2,999,500.00
Pineapple Jam 850 gm, Tin Can	4,641	487,384.00	1,949,535.00
Chicken Soup 850 gm, Tin Can	2,921	303,810.00	1,215,240.00
Tomato juice 350 cc, Tin Can	908	22,713.00	90,850.00
Mixed Fruit juice 350 cc Tin Can	1,250	31,250.00	125,000.00
Orange Jam 350 cc G/B	1,531	65,844.00	263,375.00
Orange Squash 350 cc G/B	687	26,125.00	104,500.00
Mango Hot Pickle 350 cc G/B	660	25,080.00	100,320.00
Pineapple Jelly 350 cc G/B	1,125	48,375.00	193,500.00
Orange Drink 400 cc G/B	631	10,100.00	40,400.00
	Tk.	<u>4,675,857.00</u>	<u>18,703,424.00</u>

14.00 COST OF GOODS SOLD

TK. 3,686,610.00 13,297,705.00

This is made up as follows:

Particulars	Notes No.	July'00 - Sept'00 (3 months)	1999-2000 1 year
Raw Material consumed	14.01	1,528,363.00	5,773,450.00
Chemical consumed		208,931.00	515,725.00
Packing Materials consumed		983,147.00	3,935,415.00
Fuel & Oil consumed		201,326.00	485,305.00
Stores & Spares		55,900.00	225,215.00
Total consumption		<u>2,977,667.00</u>	<u>10,935,110.00</u>
Factory Overhead	14.02	668,908.00	2,217,478.00
Cost of Production		<u>3,646,575.00</u>	<u>13,152,588.00</u>
Add. Opening Finished Products		3,051,335.00	3,196,452.00
		<u>6,697,910.00</u>	<u>16,349,040.00</u>
Less: Closing Finished Products		3,011,300.00	3,051,335.00
	Tk.	<u>3,686,610.00</u>	<u>13,297,705.00</u>



Contd. P/7



14.01 RAW MATERIAL CONSUMED FOR THE PERIOD

	July'00 - Sept'00 (3 months)	1999-2000 1 year
Opening Stock	1,235,460.00	1,030,639.00
Add: Purchased during the year	14.03 2,023,253.00	5,978,271.00
	<u>3,258,713.00</u>	<u>7,008,910.00</u>
Less: Closing stock	1,730,350.00	1,235,460.00
RAW MATERIAL CONSUMED	Tk. <u>1,528,363.00</u>	<u>5,773,450.00</u>

14.02 FACTORY OVERHEAD

This is made up as follows:

Processing equipment	124,625.00	498,500.00
Factory office expenses	429,744.00	1,127,977.00
Depreciation	114,539.00	591,001.00
	<u>668,908.00</u>	<u>2,217,478.00</u>

14.03 RAW MATERIAL PURCHASED DURING THE PERIOD

Pineapple	80,000 Nos	800,000.00	1,200,000.00
Sugar	12,000 kg	370,000.00	785,920.00
Hilsha Fish	6,500 kg	390,000.00	620,000.00
Meat / Mutton	2,000 kg	300,000.00	870,000.00
Green Peas	5,000 kg	100,000.00	129,600.00
Lemon, Guava and others		63,253.00	178,791.00
Mango			1,083,960.00
Orange			400,000.00
Tomato			500,000.00
Chicken			210,000.00
		<u>Tk. 2,023,253.00</u>	<u>5,978,271.00</u>

15.00 ADMINISTRATIVE & SELLING EXPENSES:

Directors Remuneration	9,000.00	36,000.00
Salary	123,810.00	495,240.00
Rent	43,912.00	175,650.00
Entertainment	21,365.00	85,460.00
Travelling & Conveyance	47,644.00	190,576.00
Newspaper & Periodicals	481.00	1,925.00
Postage & Telegram	6,960.00	27,840.00
Telephone & Telex Fax	16,488.00	65,950.00
Printing & Stationery	10,600.00	42,400.00
Misc. Expenses	5,893.00	23,570.00
Bank Interest	51,119.00	204,476.00
Renewals & Registration fees	3,775.00	15,100.00
Audit fees	20,000.00	20,000.00
Donation + Subscription	5,125.00	20,500.00
Bonus to the staff	6,750.00	37,000.00
Depreciation	43,106.00	147,750.00
Legal expenses	3,100.00	12,400.00
Insurance	9,125.00	36,500.00
Advertisement	43,750.00	175,000.00
Cost of sample	4,776.00	19,105.00
	<u>Tk. 476,779.00</u>	<u>1,832,442.00</u>

Contd. P/8



16.00 BASIC EARNING PER SHARE (EPS)

The computation of EPS is given below:

(a) Earning attributable to the ordinary shareholder (Net profit after WPPF)	488,065.00	3,483,945.00
(b) Weighted average number of Ordinary shares outstanding during the period	1,000,000.00	1,000,000.00
(c) Basic EPS (Annualized)	0.49	3.484

17.00 GENERAL

Previous years figures have been re-arranged whenever necessary to conform current year's presentation.



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RANGAMATI FOOD PRODUCTS LTD.

90/A, Bethunia, Rangamati.

SCHEDULE OF FIXED ASSETS AS AT 30 SEPTEMBER 2000

SCHEDULE A

PARTICULARS	Balance as on 1/7/2000	Additions/ (Deletion)	Balance as on 30/9/2000	RATE OF DEP.	Balance as on 1/7/2000	Depreciation for the period	Adjustment	Depreciation Upto 30/9/2000	WRITTEN DOWN VALUE 30/9/2000
Land and Lad Development	958,200.00	-	958,200.00	-	-	-	-	-	958,200.00
Factory Building	3,620,811.00	-	3,620,811.00	2.5%	483,814.00	19,606.00	-	503,420.00	3,117,391.00
Plant & Machinery	4,628,396.00	-	4,628,396.00	5%	1,446,758.00	39,770.00	-	1,486,528.00	3,141,868.00
Motor Vehicles	3,381,524.00	-	3,381,524.00	20%	1,803,809.00	78,886.00	-	1,882,695.00	1,498,829.00
Furniture & Fixture	80,348.00	-	80,348.00	10%	45,343.00	875.00	-	46,218.00	34,130.00
Office Equipment	130,708.00	-	130,708.00	20%	74,942.00	2,788.00	-	77,730.00	52,978.00
Factory Equipment	609,000.00	-	609,000.00	20%	294,600.00	15,720.00	-	310,320.00	298,680.00
Taka	13,408,987.00	-	13,408,987.00		4,149,266.00	157,645.00		4,306,911.00	9,102,076.00

Note: Depreciation hasa been charged to:

Factory Overhead-	114,539.00
Administrative & Selling Overhead	43,106.00
Tk.	157,645.00



RANGAMATI FOOD PRODUCTS LTD

ADDITIONAL DISCLOSURE ON EXEMPTION OF BSRS INTEREST TK. 9,372,954/=

Outstanding dues with BSRS in the year 1994

Interest - Tk. 23,026,042/=

Principal - Tk. 4,867,000/= After down payment of Tk. 8.67 lac the principal loan stood Tk. 40.00 lac.

In the year 1994 BSRS waived 60% of the above interest amounting to Tk. 13,815,625/= and the remaining 40% interest of Tk. 9,210,417/= was kept in a block account for 2 years as interest free loan. Installment of this interest free loan started from 1995-96 as per rescheduling made by BSRS. The said block amount of Tk. 9,210,417/= was not shown in the accounts during 1993-94, 1994-95 but taken in the year 1996. The above interest free loan amount of Tk. 9,210,417 together with outstanding interest of Tk. 1,203,976 on principal loan of Tk. 40.00 lac stood at Tk. 10,414,393 in 1999-2000.

In the year 1999-2000 BSRS again rescheduled and waived 90% interest i.e. Tk. 9,372,954/= out of the total interest of Tk. 10,414,393. At the same time company made a down payment of Tk. 5.00 lac i.e. Tk. 1.00 lac was paid to BSRS on 6-9-98 and 17-11-98 in installment of Tk. 50,000/= each date which was kept under Suspense Account and was adjusted after waiving interest. Further Tk. 4.00 lac was paid on 28-8-99 and 16-9-99 in installment of Tk. 2 lacs on each date which was also adjusted after waiving interest. After the above adjustments BSRS dues on 30.6.2000 stood as under:

Principal-	Tk. 2,037,597
Local currency	
ADB-286	Tk. 1,550,478
Interest free loan	Tk. 921,042

Total Tk.	4,509,117
	=====

A further amount of Tk. 50,000/= has been paid to BSRS in the month of August, 2000.

Dated, Dhaka
14 February, 2001

(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS



RANGAMATI FOOD PRODUCTS LIMITED
Marginal Analysis of the Operation
For the quarter ended 30 September, 2000

A. Sales

Taka 4,675,857.00

B. Marginal cost of sales:

Variable cost:

Cost of Materials	2,977,667.00
Factory Expenses	343,795.00
Processing Equipment	124,625.00
Entertainment	21,365.00
Travelling & Conveyance	47,644.00
Postage & Telegram	6,960.00
Telephone & Telex	16,488.00
Printing & Stationery	10,600.00
Misc. Expenses	5,893.00
Donation, Subscription	5,125.00
Legal Expenses	3,100.00
Advertisement	43,750.00
Cost of Sample	4,776.00

Total Variable Cost

3,611,788.00

Add: Opening Stock

3,051,335.00

6,663,123.00

3,011,300.00

Less: Closing Stock

Total Marginal Cost of Sales

3,651,823.00

C. Contribution (A-B)

1,024,034.00

D. Fixed Cost:

Factory Overhead	85,949.00
Depreciation	157,645.00
Directors Remuneration	9,000.00
Salary	130,560.00
Rent	43,912.00
Newspaper & Periodicals	481.00
Renewals & Registration Fee	3,775.00
Audit Fee	20,000.00
Insurance	9,125.00
Bank Interest	51,119.00

85,949.00

157,645.00

9,000.00

130,560.00

43,912.00

481.00

3,775.00

20,000.00

9,125.00

51,119.00

511,566.00

Operating Profit (C-D)

Taka 512,468.00

Checked with the Financial Statements for the
quarter ended 30 September 2000 and found correct.

Dhaka
15 January, 2001



(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS





**AUDITORS' REPORT UNDER PARAGRAPH 24(1) OF PART II OF SCHEDULE-III
UNDER SECTION 135(1) OF THE COMPANIES ACT, 1994**

We, as the auditor, having examined the Financial statements of RANGAMATI FOOD PRODUCTS LIMITED for the period ended 30 September 2000 certify pursuant to the section 135(1) and paragraph 24(1) of Part-II of Schedule-III of the Companies Act, 1994 and we report that:

01. The operating results of RANGAMATI FOOD PRODUCTS LIMITED for the year/period ended 30 June 1997 to 30 September 2000 as disclosed by its accounts which have been audited by us were as follows:

PARTICULARS	30-Sep-00	30-Jun-00	30-Jun-99	30-Jun-98	30-Jun-97
Turnover	4,675,857	18,703,424	17,511,554	15,796,945	15,070,327
Cost of Goods Sold :	(3,686,610)	(13,297,705)	(12,080,501)	(11,042,107)	(10,527,473)
GROSS PROFIT	989,247	5,405,719	5,431,053	4,754,838	4,542,854
Administrative, Selling & Distribution and Financial Overhead	(476,779)	(1,813,337)	(2,163,536)	(2,077,428)	(2,075,096)
Cost of Sample	-	(19,105)	(17,208)	(14,300)	(11,800)
NET PROFIT FROM OPERATION BEFORE WPPF	512,468	3,573,277	3,250,309	2,663,110	2,455,958
Provision for WPPF	(24,403)	(89,332)	(81,258)	(66,578)	(61,399)
Net Profit for the period	488,065	3,483,945	3,169,051	2,596,532	2,394,559
Bank Interest exempted-written back	-	9,372,954	-	-	-
Surplus from previous year	12,999,576	142,677	(3,026,374)	(5,622,906)	(8,017,465)
ACCUMULATED SURPLUS	13,487,641	12,999,576	142,677	(3,026,374)	(5,622,906)
EARNING PER SHARE (EPS) BASIC ANNUALIZED	0.49	3.48	3.17	25.97	29.1
Nominal price of each share	10	10	10	100	10

In the year 1998-99 nominal price of shares were changed from Tk. 100/- per share to Tk. 10/- per share with proportion increase in the number of shares.



Contd

The position of assets and liabilities of the company were as under for the aforementioned period:

PARTICULARS	30-Sep-00	30-Jun-00	30-Jun-99	30-Jun-98	30-Jun-97
ASSETS					
Fixed Assets (at cost less accumulated depreciation)	9,102,076	9,259,721	9,850,847	10,454,702	8,553,978
Current Assets	23,386,166	23,064,950	19,511,392	14,622,230	12,258,280
Total Tk.	32,488,242	32,324,671	29,362,239	25,076,932	20,812,258
REPRESENTED BY:					
Paid up capital	10,000,000	10,000,000	10,000,000	10,000,000	8,225,000
Long Term Loan	4,459,117	4,509,117	14,380,176	13,812,341	13,487,605
Current Liabilities	4,541,484	4,815,978	4,839,386	4,290,965	4,722,559
Accumulated Surplus	13,487,641	12,999,576	142,677	(3,026,374)	(5,622,906)
Total Taka	32,488,242	32,324,671	29,362,239	25,076,932	20,812,258

03. The company has no subsidiary.

04. No proceeds or part of the proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any business.

Dhaka
15 January, 2001



(Chowdhury Bhattacharjee & Co.)
CHARTERED ACCOUNTANTS

