

**ANNUAL  
REPORT**  
2021-2022

**Rahima Food Corporation Ltd.**

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REPORT**  
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## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 32<sup>nd</sup> Annual General Meeting of the Shareholders of Rahima Food Corporation Ltd. will be held on 29<sup>th</sup> December, 2022 at 3:30 P.M. to transact the following business. The meeting will be held virtually which will be conducted via live webcast by using digital platform through the link <http://rahimafood.bdvirtualagm.com>

1. To confirm the minutes of the 31<sup>st</sup> Annual General Meeting of the company held on 27<sup>th</sup> December, 2021.
2. To receive, consider and adopt the Audited Accounts of the company for the year ended on 30<sup>th</sup> June, 2022 together with the report of the Auditors and Directors thereon.
3. To declare dividend for the year 2021-2022.
4. To appoint Directors in place of retiring Directors.
5. To appoint external Auditors for the year 2022-2023 and to fix their remuneration.
6. To appoint professionals for certification of compliance of corporate Governance code and to fix their remuneration for the year 2022-2023.
7. To transact any other business of the company with permission of the chair.

Dated: Dhaka, the 23<sup>rd</sup> November, 2022

By order of the Board

  
(Md. Zakir Hossain)  
Company Secretary

### NOTES :

1. *The record date for the meeting is 13<sup>th</sup> December, 2022. The Shareholders whose names will appear in the share register of the company or in the depository register on that date will be entitled to attend at the Annual General Meeting.*
2. *Any member of the company entitled to attend and vote at the above meeting may appoint another person as his/her proxy to attend and vote on his/her behalf (through digital platform). The proxy form duly filled in and affixing revenue stamp must be sent through e-mail to the share department of the company at [rfcl.rahimafood@gmail.com](mailto:rfcl.rahimafood@gmail.com) at least 48 hours before the time fixed for starting the meeting. The proxy form, to be submitted will be available with the Annual Report 2021-2022 of our company.*
3. *For smooth conduct of the meeting, members having queries on the Audited Accounts or on the Directors' Report are requested to submit the same to the office of the company at least 3 days before the meeting.*

**For kind attention of the shareholders :**

**No gift or no other benefit, cash or kind will be paid to any shareholder attending the meeting as per restriction imposed by the BSEC vide Notification No. SEC/SRMI/2000-953/1950, dated 24.10.2000**

## **OUR MISSION**

- ▶ Catering to customer need through manufacturing quality product and provide at reasonable price.
- ▶ Maximizing shareholders interest and at the same time fulfill social responsibilities.

## **OUR VISION :**

- ▶ To be the most prestigious company in Bangladesh by earning confidence of the customers .
- ▶ To earn dignity and self respect by creating shareholders value.

## **OUR OBJECTS :**

- ▶ To conduct transparent business operation within the legal and social framework to attain our mission and vision

## **WE VALUE :**

- ▶ We value our employees as the most precious assets of the company whose sincere efforts will help us in achieving our mission, vision and object.

## CORPORATE DIRECTORY

### BOARD OF DIRECTOR :

Mr. Fazlur Rahman	:	Chairman
Mr. Md. Hasan	:	Managing Director
Mrs. Hamida Rahman	:	Director
Mrs. Farzana Rahman	:	Director
Mrs. Shampa Rahman	:	Director
Nominee of VOTT Oil Refineries Ltd. Barrister Hasan Rajib Prodhan	:	Independent Director

### AUDIT COMMITTEE :

Barrister Hasan Rajib Prodhan	:	Chairman
Mr. Md. Hasan	:	Member
Mrs. Farzana Rahman	:	Member
Ms. Shampa Rahman	:	Member
Nominee of VOTT Oil Refineries Ltd.		

### NOMINATION AND REMUNERATION COMMITTEE :

Barrister Hasan Rajib Prodhan	:	Chairman
Mr. Md. Hasan	:	Member
Ms. Shampa Rahman	:	Member

CHIEF FINANCIAL OFFICER : Mr. Shahidur Rahman, FCMA

COMPANY SECRETARY : Mr. Md. Zakir Hossain

AUDITORS : MABS & J Partners  
Chartered Accountants  
SMC Tower(Leval-7), Banani C/A.  
Road-17, Dhaka – 1213.

REGISTERED OFFICE : Uttar Rupshi, Rupgonj,  
& Narayangonj  
FACTORY Phone : 880-9611611123  
E-mail : [rfcl.rahimafood@gmail.com](mailto:rfcl.rahimafood@gmail.com)  
Web : [www.rahimafood.com](http://www.rahimafood.com)

## **ABOUT THE COMPANY**

Rahima Food Corporation Ltd. was incorporated on 06 June, 1990 as a Private Limited Company in Bangladesh under Companies Act 1913 and subsequently had been converted into a Public Limited Company on 28<sup>th</sup> June, 1996. It went for Initial Public Offering of shares in 1997 and its shares are now listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Plc.

Rahima Food Corporation Ltd. originally had been established for more than two decades ago as an edible oil producing and marketing company. In December, 2017 the management of the company had to decide to change its nature of production to save the company from sustaining loss year to year. For its sustainable long-term growth and after due consideration of all factors, they had decided to set up a Coconut Oil producing plant for producing and marketing of Coconut oil. As per decision taken by the management, a new plant for this purpose has been set up which commenced commercial operation in February, 2022.

For more profitable operation of the company, the management further had decided in February, 2022 to set up a plant for processing and packing of Cashew Nuts for marketing the product at home and abroad and another plant for bottling and marketing of Soybean oil and mustard oil for local marketing. The plant for processing and packing of Cashew Nuts has already been established which commenced commercial operation in May, 2022. The plant for bottling of soybean oil and mustard oil is under process of installation and the management of the company expects to complete its establishment within the shortest possible time.

**DIRECTORS' REPORT TO THE  
SHAREHOLDERS FOR THE YEAR ENDED 30 JUNE, 2022.**

Respected Shareholders,

On behalf of the Board of Directors of Rahima Food Corporation Ltd., I am pleased to place before you the Directors' report and the Audited Financial Statements of the company for the year ended 30<sup>th</sup> June, 2022 together with report of the Auditors thereon as under for your kind information :

**i) Industrial outlook and possible future developments in the industry :**

Rahima Food Corporation Ltd., established for more than two decades ago is one of the well known consumer goods producing and marketing Company in Bangladesh. It used to produce and market refined edible till 2013, after which it had to decide to change its nature of production to avoid long sustaining loss. The City Group, one of the conglomerates of Bangladesh, acquired control of the Company in 2017. The new management of the company, studying the demand for various consumer goods in the market and its future prospect, decided to introduce multiple consumer products in its factory. With that end in view, the new management decided to set up plants for producing and marketing coconut oil, do bottling of soybean oil and mustard oil for domestic consumption and a plant for processing and packing of Cashew Nuts for its marketing at home and abroad. The plants for producing coconut oil and processing and packing of Cashew Nuts have already been set up which has commenced commercial operation during the last part of the year.

The future of an industry in the growth stage of its life cycle depends on rapidly growing demand for its products, increasing profitability and minimal rivalry competitors in the in country. Because of rapidly rising demand and profitability, Cashew Nuts sector in Bangladesh may be regarded in the growing stage of the industry life cycle. Demand for Cashew Nuts in Bangladesh is increasing at the rate of 15 – 20% per year, while it is growing globally at the rate of 4.5% . According to the Department of Agricultural Extension, 30% of total demand for Cashews are produced in Bangladesh. Rest are imported from abroad. But the import cost of raw Cashews are much higher. Therefore initiatives have been taken by local growers to grow more and more cashews every year. It is expected that in near future most part of total demand for cashews will be available locally. The rivalry in this sector is low, because the cost to set up this plant is much higher and working capital requirement is also very high. Therefore there are a few number of industries in Bangladesh in this sector. Therefore there is a bright prospect for possible future development of business of Rahima Food Corporation Ltd. in Cashew Nuts sector.

Coconut oil industry in Bangladesh can be considered in the growth stage of industry life cycle because of highly growing demand and increasing profitability. Coconut oil has had a relatively stable market during the period of both expansion and contraction. Demand for high quality and different varieties of products produced from coconut oil is increasing day by day. Therefore there is wide scope for possible future development of coconut oil business of Rahima Food Corporation Ltd.

**ii) Segment wise or product wise performance :**

During the period under report, Rahima Food Corporation Ltd. has commenced commercial operation of two plants, namely Coconut oil producing plant and Cashew Nut processing plant. But during the period under report, contribution towards revenue of the company is from sale of Cashew Nuts. Though the Company had produced refined coconut oil during the year, but could not start marketing of the product due some technical reasons. The problem has been over in the subsequent period and the product has been marketed. In spite of this, it is assumed that marketing of Cashew Nut will contribute a major portion of total revenue of the Company.

**iii) Risks and concerns :**

Like any other business industry, the coconut oil producing and marketing and Cashew Nuts processing and marketing business of the company are exposed to probable social, technical and political risk, in addition to financial risk embedded in normal business transactions. Management is fully aware of the risks and will be able to take appropriate measures to avoid or reduce risk that may arise during the normal course of business of the company.

**iv) Turn-over, cost of goods sold / Factory overhead expenses, Gross Profit(Loss), Net Profit (Loss) for the year compared to the previous year is as under :**

Particulars	30 <sup>th</sup> June, 2022		30 <sup>th</sup> June, 2021	
	Taka	% of sales	Taka	% of sales
Net Turnover	66,567,600	100.00	-	
Factory expenses	56,790,160	85.31		
<b>Gross profit (Loss )</b>	<b>9,777,440</b>	<b>14.69</b>	<b>-</b>	
Admin. Selling and General expenses	7,360,079	11.06	6,529,559	
<b>Net Operating Income (Loss)</b>	<b>2,417,361</b>	<b>3.63</b>	<b>(6,529,559)</b>	
<b>Other Income/ (Expenses) :</b>				
Interest Income on Bank deposits	6,146,395	9.23	10,490,158	
Contribution to WPWF	(406,778)	(0.61)	(188,128)	
<b>Net Profit before Tax</b>	<b>8,156,978</b>	<b>12.25</b>	<b>3,772,471</b>	
Current Tax (Expense)	(1,631,396)	(2.45)	(2,360,286)	
Deferred Tax (Expense) Income	(735,811)	(1.11)	(20,981)	
<b>Net Profit</b>	<b>5,789,771</b>	<b>8.69</b>	<b>1,391,201</b>	

The company had not been in operation during the previous year. Income earned during the previous year was Interest received from bank on deposits.

**v) Extra-Ordinary gain or loss :**

The company had no extra-ordinary gain or loss during the year under report.

**vi) Related party transactions :**

During the year under report, the company has made transactions with City Sugar Industries Ltd. and City Seed Crashing Industries Ltd., both of which are Related parties and this has been disclosed in Note 14 of the Financial Statements. Transactions with City Sugar Industries Ltd. arises out of fund transfer from the Related party to Rahima Food Corporation Ltd. and transactions with City Seed Crashing Industries Ltd. arises out of utility service provided by the Related party to Rahima Food Corporation Ltd. The transactions with the Related parties bears no interest or any other charge.

**vii) Variance between Quarterly Financial Statements and Annual Financial Statements:**

The company commenced commercial operation of the factory as well as marketing of its products during last quarter of the year. During first three quarters of the year, the company had income only from Interest on bank deposits. So key Financial Indicators in Annual Financial Statements shows much improved position than that in the quarterly Financial Statements.

**viii) Remuneration to Directors including the independent Directors :**

No remuneration was paid to the Directors during the year under report excluding the Independent Director who has been paid remuneration @ Taka 5,000/- for attending each Board Meeting and Audit Committee Meeting during the year.

**ix) Statement of the Directors on Financial Reports :**

- a) The Financial Statements prepared by the company for the year 2021-2022 present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- b) Proper books of account have been maintained by the company;
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- d) In preparing the financial statements, International and other accounting standards, as applicable in Bangladesh, have been followed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The company has enough resources to continue its business in the foreseeable future and therefore the Directors have no doubt about the ability of the company to continue as a going concern.

**x) Deviation from the last year's operating results :**

During the year under report, the company has earned net profit of Taka 5,789,771.00 as against net profit of Taka 1,391,201.00 earned during the previous year. The company started commercial operation of its factory during last part of the current year and earned substantial amount of profit, but during the previous year, the machinery of the factory were under process installation and therefore there was no production activity during that year. Small amount of income had been earned by the company during the previous year from interest on bank deposits.

**xi) Key operating and financial data of last five preceding years :**

Key operating and financial data for last preceding five years has been annexed

(Annexure- I)

**xii) Profit and appropriation :**

Net profit during the year under report	Taka 5,789,771
Less : Provision for proposed dividend	<u>5,476,950</u>
<b>Un-appropriate profit</b>	<b><u>Taka 312,821</u></b>

**Xiii) Dividend :**

During the year under report, the company earned net profit of Taka 5,789,771/-. The Directors including their Associated companies decided not to claim dividend for the year 2021-2022, so that the general shareholders can receive dividend at higher rate. The Board of Directors of the company in its meeting held on 21.11.2022 has proposed to pay Cash dividend @ 5% to the general shareholders, other than the Directors and the Associated companies.

**xiv) Board meeting and attendance :**

During the year under report 13 (Thirteen) Board meetings were held. The attendance record of the Directors in the Board meeting is as under :

Name	Status	Attendance	Remarks
1. Mr. Fazlur Rahman	Chairman	13	
2. Mr. Md. Hasan	Managing Director	09	
3. Mrs.Hamida Rahman	Director	12	
4. Mrs. Farzana Rahman	Director	0	She has been on leave
5. Mrs. Shampa Rahman Nominee of VOTT Oil Refineries Ltd.	Director	13	
6. Barrister Hasan Rajib Prodhan	Independent Director	12	

**xv) The pattern of shareholdings as on 30 June, 2022 is as under :****Name wise details****No. of shares held**

a) Parent/Subsidiary/Associated Companies & other Related parties :	1,571,856
b) Sponsors, Directors, Chief Executive Office, Company Secretary, Chief Financial Officer, Head of Internal Audit :	
1. Mr. Fazlur Rahman, Director	1,630,052
2. Mrs.Hamida Rahman, Director	1,629,696
3 Mr Md. Hasan, Director	1,629,696
4. Mrs.Farzana Rahman, Director	1,010,000
5. VOTT oil Refineries Ltd., Nominated Director in the Board	1,575,000
6. Barrister Hasan Rajib Prodhan. Independent Director	Nil
7. Mr. Shahidur Rahman, Chief Financial Officer	Nil
8. Mr. Md. Zakir Hossain, Company Secretary	Nil.
c) Senior Corporate Executives	Nil
d) Shareholders holding 10% or more voting interest in the company	Nil

**xvi) Directors retirement and appointment :**

Mrs. Farzana Rahman, Director and Mrs. Shampa Rahman, Director of the company retire by rotation as per Article 82 of the Articles of Association of the company and being eligible offer themselves for re-election as per Article 84 of the Articles of Association of the company.

Short profile of the Directors, re-appointed during the year are annexed

( **Annexure -I1**).

**xvii) Audit Committee :**

Audit Committee has been formed as per guide line issued by the BSEC and the Report of the Audit Committee is Annexed. (**Annexure – III**)

**xviii) Appointment of statutory Auditors :**

Existing Auditors of the company, M/S. MABS & J Partners, Chartered Accountants, SMC Tower(7<sup>th</sup> Floor), 33, Banani C/A, Road-17,, Dhaka 1213, have completed their audit for the year ended 30 June, 2022. They have expressed their interest for re-appointment as al Auditors of Rahima Food Corporation Ltd. for the year ended 30 June, 2023 with reasonable increase of their remuneration over their present remuneration. During the year under report, they have been appointed with remuneration of Taka 200,000.00 excluding VAT. After consideration of all factors, the Audit Committee of the Company has made proposal for their re-appointment with remuneration to be decided by the Board. The Board of Directors of the company has recommended for appointment of M/S. MABS & J Partners, Chartered Accountants as External Auditors of the company for the year ended 30 June, 2023 with a remuneration of Taka 300,000/- (Taka Three lac ) only excluding VAT.

**xix) Appointment of professional for Corporate Governance Code Compliance certification :**

The Board of Directors of the company after due consideration of the proposal made by the Audit Committee has recommended for appointment of M/S. Kazi Zahir Khan & Co., Chartered Accountants as professional for certification of compliance of Corporate Governance Code as required under Bangladesh Securities and Exchange Commission Notification No.SEC/CMRRCD/ 2006- 158/207/ Admin/80, dated 03 June, 2018 for the year 2022-2023 with a remuneration of Taka 30,000/-only.

For the year under report M/S. Kazi Zahir Khan & Co.,Chartered Accountants have examined and certified compliance of Corporate Governance Code which is annexed . ( **Annexure – IV**).

**xx) Certification on Financial Statements by the Managing Director and the Chief Financial Officer to the Board :**

In accordance with requirement of the Bangladesh Securities and Exchange Commission, vide Notification No..BSEC/ CMRRCD/ 2006-158/207/Admin/80, dated 03 June, 2018 certification by the Managing Director and the CFO on Financial Statements is annexed .

( **Annexure-V**).

**xxi) Corporate Governance Compliance Report :**

In accordance with requirement of the Bangladesh Securities and Exchange Commission, status of compliance with conditions imposed by them vide Notification No..BSEC/ CMRRCD/ 2006-158/207/Admin/80, dated 03 June, 2018 is annexed. (**Annexure –VI**).

**Acknowledgement :**

The Board of Directors of the company express their profound gratitude to all the valued shareholders of the company for their patience, co-operation and continued support towards the business of the company. The Board would also like to thank the Management team, all employees and workers of the company for their dedicated service towards the progress of the company.

On behalf of the Board of Directors of Rahima Food Corporation Ltd.



Fazlur Rahman  
Chairman.

**ANNEXURE – I****KEY OPERATING AND FINANCIAL DATA FOR THE LAST FIVE YEARS :**

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>	<b>2016-2017</b>
<b>Result of Operation :</b>					
Net turn-over (Tk. in million)	-	-	-		-
Profit (Loss) from operation (Tk. in million)	(6.53)	(6.10)	(3.93)	(4.32)	(5.61)
Net profit (Loss) before Tax (Tk.in million)	3.78	(28.07)	6.96	191.99	(12.19)
Net profit (Loss)after Tax (Tk. in million)	1.40	(24.07)	4.77	181.29	(3.50)
<b>Financial Position :</b>					
Non-Current Assets ((Tk. in million)	182.37	30.85	53.84	57.81	72.63
Current Assets (Tk. in million)	174.91	221.67	229.60	218.82	514.45
Current Liabilities (Tk. in million)	171.39	61.03	51.28	37.16	527.84
Total Equity (Tk. in million)	185.89	191.48	228.23	235.99	56.43
No. of shares outstanding (Tk.10/- each)	20000,200	20,000,200	20,000,200	20,000,200	20000,200
<b>Key Indicators :</b>					
Earning (Loss) per shares (Taka)	0.07	(1.20)	0.24	9.06	(0.18)
Net operating Cash Flow/share (Taka)	(0.40)	0.62	0.62	(0.78)	27.01
Net Asset value/share (Taka)	9.29	9.57	11.41	11.80	2.82
Dividend Paid Cash (%)	1	-	10	10	-
G.P. to Sales (%)	0	0	0	0	-
N.P. to Sales (%)	0	0	0	0	-
Current ratio (times)	1.02	3.63	4.48	5.89	0.97

**ANNEXURE – II****DIRECTORS' PROFILE****MRS. FARZANA RAHMAN.**

Mrs. Farzana Rahman is the eldest daughter of Mr.Fazlur Rahman and Mrs.Hamida Rahman. She obtained Bachelor of Business Administration degree from the U.K. She is always interested to devote herself to business. For her business skill and devotion, she was appointed as Director of many industrial and business units of the City Group. She has been appointed as Director of Rahima Food Corporation Ltd in January 2018.

**MRS. SHAMPA RAHMAN**

Mrs. Shampa Rahman, is the youngest daughter of Mr.Fazlur Rahman and Mrs.Hamida Rahman. She obtained Bachelor of Business Administration degree from the U.K. After obtaining this prestigious degree, she devoted herself to the development of business of the City Group.. For her business skill and devotion, she has was appointed as Director of many industrial and business units of the City Group. She is the Chairman of Hoshendi Economic Zone. She is the vice Chairman of Dhaka Insurance Ltd. As a nominee of Van Ommeran Tank Terminal, she was appointed as Director of Rahima Food Corporation Ltd in April 2018.

**ANNEXURE – III****REPORT OF THE AUDIT COMMITTEE****For the year ended 30<sup>th</sup> June, 2022**

Dear Shareholders

On behalf of the Audit Committee, I am pleased to present before you the Report of Audit Committee of Rahima Food Corporation Ltd. formed in accordance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission issued vide Notification No.BSEC/CMRRCD/2006-158/207/ Admin/80, dated 03 June, 2018. This report in brief is the activities of the Audit Committee performed during the year and is as under :

**Reviewing the Financial Statements :**

The Terms of Reference of Audit Committee set out as per code of Corporate Governance prescribed by Bangladesh Securities and Exchange Commission issued vide Notification No.BSEC/CMRRCD/2006-158/207/ Admin/80, dated 03 June, 2018 includes among other things, overseeing the financial reporting process, monitoring accounting policies and principles adopted by the company, reviewing potential conflict of interests, overseeing hiring and performance of external auditors, etc.

The Audit Committee, being sub-committee of the Board, has reviewed Annual and Quarterly Financial Statements of the company prior to their submission to the Board of Directors of the Company for approval.

The Audit Committee in its meeting held on November 13, 2022 reviewed the Annual Financial Statements of the company for the year 2021 – 2022. Draft Audited Accounts along with the report of the Auditors were placed before the committee. Detailed discussions on the Financial Statements were held with the representatives of the management of the company. The committee was satisfied with draft Report of the Auditors, because it represented true and fair view of financial status of the company. They did not find any material discrepancies and any material deviation in the area of report. Adequate disclosures were made in the Financial Statements. The Committee noted no material audit observation that warrants the attention of the Board. The Audit Committee therefore, authorized for onward submission of the draft Audited Financial Statements of the company to the Board for consideration.

The Audit committee held three other meetings before this meeting wherein quarterly Financial Reports of the company were reviewed prior to their submission to the Board for approval. The committee held discussions with senior management personnel of the company to ensure accuracy, consistency and compliance of financial rules and regulations in all material respect and was satisfied.

**Appointment of External Auditor :**

Existing Auditors of the company, M/S. MABS & J Partners, Chartered Accountants, SMC Tower(7<sup>th</sup> Floor), 33, Banani C/A, Road-17,, Dhaka 1213 have completed their audit for the year ended 30 June, 2022 and have expressed their intention to be as Auditors of the company for the year 2022-2023 with reasonable increase of their remuneration over the current year.

The Audit committee reviewed the offer of M/S. MABS & J Partners, Chartered Accountants, for re-appointment as External Auditors of Rahima Food Corporation Ltd. for the year ended 30 June, 2023 with reasonable increase of their existing professional fee, which is of Taka 200,000/- (Taka Two lac ) only excluding VAT. Minimum Audit Fee of Rahima Food Corporation Ltd. as per ICAB's regulation comes to Taka 350,000/-. Therefore the Audit Committee recommends for re-appointment of M/S. MABS & J Partners, Chartered Accountants as Auditors of the company for the year ended 30 June, 2023 with increase of their existing remuneration, to be decided by the Board.

**Other review and activities :**

The Audit Committee also reviewed proposals received for employment as professional for certification of compliance of Corporate Governance code, as required under BSEC Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80, dated 03 June, 2018 and recommends to the Board for employment of M/S.Kazi Zahir Khan & Co., Chartered Accountants, as professional for certification of compliance of Corporate Governance Code for the year 2022-2023 with a remuneration of Taka 30,000.00 (Taka Thirty thousand only).



Barrister Hasan Rajib Prodhan

Chairman

Audit Committee.

## A NNEXURE – IV

CORPORATE **GOVERNANCE** CODE COMPLINCE CERTIFICATION

Annexure-B  
[Certificate as per condition No. 1(5) (xxvii)]

**Report to the Shareholders of Rahima Food Corporation Limited on  
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Rahima Food Corporation Limited** for the year ended on 30 June 2022. This Code relates to the Notification No. **BSEC/CMRRCD/2006-158/207/Admin/80** dated 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory.

Dated: November 21, 2022  
Place: Dhaka

  
Md. Nurul Hossain Khan, FCA  
Managing Partner  
Kazi Zahir Khan & Co.  
Chartered Accountants

Head Office: Home Town Apartments (Level-15), 87 New Eskaton Road, Dhaka-1000

## ANNEXURE –V

**CERTIFICATION BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2022 :**

The Board of Directors

Rahima Food Corporation Ltd.

115/7/A, Distillery Road

Gandaria, Dhaka – 1204.

Dear respected Members of the Board,

In Compliance with the condition No. 1(5)(xxvi) imposed vide Bangladesh Securities & Exchange Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance,1969, we do hereby declare that :

1. The Financial Statements of Rahima Food Corporation Ltd. for the year ended on 30 June, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh.
2. The estimates and judgments related to the financial statements were made on prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

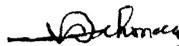
In this regard, we also certify that :

- i) We have reviewed the financial statements of Rahima Food Corporation Ltd. for the year ended on 30 June, 2022 and that to the best of our knowledge and belief :
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours

  
( Shampa Rahman )

Managing Director (Current charge)

  
( Shahidur Rahman )  
Chief Financial Officer.

## ANNEXURE – VI

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission vide notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued Under Section 2CC of the Securities and Exchange Ordinance, 1969 during year ended 30 June,2022.

Condition No.	Title	Compliance Status ('√' in appropriate Column)		Remark's (if any)
		Complie d	Not Complie d	
1.(1)	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	√	-	
<b>1.(2)</b>	<b>Independent Directors:</b>			
1.(2)(a)	One fifth (1/5) of the total number of directors	√		
1.(2) (b)(i)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	√		
1.(2) (b) (ii)	Not connected with any sponsor/director/shareholders who holds 1% or more shares of the total paid-up shares on the basis of family relationship.	√		
1.(2) (b) (iii)	Who has not been an executive of the company in immediately preceding two financial years	√		
1.(2) (b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies.	√		
1.(2) (b)(v)	Not a member or TREC holder, director or officer of any stock exchange	√		
1.(2) (b)(vi)	Not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	√		
1.(2) (b)(vii)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	√		
1.(2)(b)(viii)	Not be an independent Director in more than 5 (five) listed companies.	√		
1.(2) (b)(ix)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or a NBF.I.	√		
1.(2) (b)(x)	Not been convicted for a criminal offence involving moral turpitude	√		

1.(2) (c)	Appointed by the board of Directors and approved by the shareholders in the AGM	√		
1.(2) (d)	Post cannot remain vacant for more than 90 (ninety) days.	√		
1.(2) (e)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1.(3) (a)	Knowledgeable individual with integrity, ability to comply with financial laws, corporate laws and make meaningful contribution to the business	√		
1.(3) (b)(i)	Business Leader who is or was promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or member of any national or international chamber of commerce or business association	-	-	
1.(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than CEO or MD or deputy MD or CFO or head of finance or accountant or CS or head of internal audit and compliance of head of legal service or equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company	-	-	
1.(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> grade of the national pay scale, who has at least bachelor degree in economics or commerce or business or law, or	-	-	
1.(3) (b) (iv)	University Teacher in economics or commerce or business studies or law, or	-	-	
1.(3) (b) (v)	Professional an advocate practicing in high court division of Bangladesh supreme court or a CA or cost and management accountant or chartered financial analyst or chartered certified accountant or certified public accountant or chartered management accountant or chartered secretary or equivalent qualification	√		
1.(3) (c)	Shall have at least 10 years of experiences in any field mentioned in clause (b)	√		
1.(3) (d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the commission.	-	-	N/A
<b>1.(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or CEO</b>			
1.(4) (a)	The position shall be filled by different individuals	√		
1.(4) (b)	The MD and or the CEO of a listed company shall not hold the same position in another listed company	√		
1.(4) (c)	The chairperson of the board shall be elected from among the non-executive directors of the company	√		
1.(4) (d)	The board shall clearly define respective roles and responsibilities of the chairperson and the MD and or CEO	√		
1.(4) (e)	In absence of the chairperson of the board, the remaining members may elect one of themselves from non executive director as chairperson for that particular board's meeting	√		
<b>1.5</b>	<b>The Directors' Report to Shareholders : Complied as per BSEC guideline.</b>			

1.(5) (i)	Industry outlook and possible future developments in the industry.	√		
1.(5) (ii)	Segment-wise or product-wise performance	√		
1.(5) (iii)	Risks and concerns	√		
1.(5) (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.(5) (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	√		
1.(5) (vi)	A discussion on related party transactions	√		
1.(5) (vii)	Utilization of proceeds from public issues, rights issues and/or through any others	-	-	N/A
1.(5) (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.	-	-	N/A
1.(5) (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.	√		
1.(5) (x)	Remuneration to Directors including independent Directors.	√		
1.(5) (xi)	A statement regarding fairness of Financial Statement	√		
1.(5) (xii)	A statement regarding maintenance of proper books of accounts	√		
1.(5) (xiii)	A statement regarding adoption of appropriate accounting policies and estimates.	√		
1.(5) (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	√		
1.(5) (xv)	Soundness of internal control system	√		
1.(5) (xvi)	Minority shareholders have been protected	√		
1.(5) (xvii)	A statement regarding ability of the company to continue as a going concern	√		
1.(5) (xviii)	An explanation regarding significant deviations from the last year's operating results	√		
1.(5) (xix)	Key operating and financial data of at least preceding 5 (five) years	√		
1.(5) (xx)	Reasons for not declaring dividend	-	-	
1.(5) (xxi)	Reasons for not declaring bonus share or stock dividend or shall be declared as interim dividend	-	-	
1.(5) (xxii)	Number of board meeting held during the year and attendance	√		
<b>1.(5) (xxiii)</b>	<b>Pattern of shareholding :</b>			
1.(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties.	√		
1.(5) (xxiii)(b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	√		
1.(5) (xxiii)(c)	Executives	√		
1.(5) (xxiii)(d)	10% or more voting interest	√		

<b>1.(5) (xxiv)</b>	<b>Appointment/re-appointment of Director:</b>			
1.(5) (xxiv)(a)	Resume of the director	√		
1.(5) (xxiv)(b)	Expertise in specific functional areas	√		
1.(5) (xxiv)(c)	Holding of directorship and membership of committees of the board other than this company	√		
<b>1.(5) (xxv)</b>	<b>Management discussion presenting detailed analysis of company's position and operations :</b>			
1.(5)(xxv)(a)	Policies and estimation for preparation of financial statements	√		
1.(5)(xxv)(b)	Changes in accounting policies and estimation, if any clearly describing its effect on financial statements	√		
1.(5)(xxv)(c)	Comparative financial position for current year with preceding 5 years explaining reasons	√		
1.(5)(xxv)(d)	Compare for financial report with the peer industry scenario	√		
1.(5)(xxv)(e)	Briefly explain the financial report of the country and the globe	√		
1.(5)(xxv)(f)	Risk and concerns issues related to financial statements & mitigation plan of the company	√		
1.(5)(xxv)(g)	Future plan for the company's operation and actual position explained to the shareholders in the next AGM	√		
1.(5)(xxvi)	Declaration or certification by CEO and CFO	√		
1.(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code	√		
1.(6)	<b>Meeting of the Board of Directors</b>	√		
<b>1.(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and CEO :</b>			
1.(7) (a)	The Board shall lay down a code of conduct	√		
1.(7) (b)	The code of conduct as determined by the NRC to be posted on the website of the company	√	-	
<b>2.</b>	<b>Governance of Board of Directors of Subsidiary Company :</b>			<b>N/A.</b>
2. (a)	Composition of the Board of Directors	-	-	
2. (b)	At least 1 (one) independent director to the subsidiary company.	-	--	
2. (c)	Submission of Minutes to the holding company	-	-	
2. (d)	Review of Minutes by the holding company	-	-	
2. (e)	Review of Financial Statement by the holding company			
<b>3.</b>	<b>Managing Director or Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and Compliance and Company Secretary :</b>			
3. (1)	Appointment			

3.(1) (a)	The Board Shall appoint a MD or CEO, a CS, a CFO and HIAC	√		The post of HIAC is vacant
3.(1) (b)	The position of the MD or CEO, a CS, a CFO and HIAC will be filled by different individuals	√		
3.(1) (c)	The MD or CEO, a CS, a CFO and HIAC shall not hold any executive position in any other company	√		
3.(1) (d)	The Board Shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3.(1) (e)	The MD or CEO, a CS, a CFO and HIAC shall not be removed from their position without approval of the Board	√		
3. (2)	<b>Requirement to attend Board of Directors' Meeting:</b> The M.D,CS,CFO,HIAC shall attend the meeting of the Board.	√		
3.(3)	<b>Duties of Managing Director or Chief Executive Officer and Chief Financial Officer</b>			
3.(3) (a)	The MD or CEO and CFO shall certify to Board that they have reviewed financial statements for the year and	√		
3. (3) (a) (i)	These statement do not contain any untrue statement or don't contain statement that might be misleading	√		
3. (3) (a) (ii)	These statements together present a true and fair view of the company's affairs and comply existing accounting standards.	√		
3. (3) (b)	The MD or CEO and CFO also certify that there are, to the best of knowledge and belief , no transaction entered into by the company which are fraudulent, illegal or in violation of the code of conduct for the company's Board.	√		
3. (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4.	<b>Board of Directors' Committee : Shall have at least the following Sub-committee;</b>			
4. (i)	Audit Committee	√		
4. (ii)	Nomination and Remuneration Committee	√		
5.	<b>Audit Committee :</b>			
5. (1)	<b>Responsibility to the Board of Directors :</b>			
5. (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board	√		
5. (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company	√		
5. (1) (c)	The Audit Committee shall be responsible to the Board, the duty of the Audit Committee shall be clearly set forth	√		
5. (2)	<b>Constitution of the Audit Committee :</b>			
5. (2) (a)	Shall be composed of at least 3 (three) members	√		

5. (2) (b)	Appointment of members of the Audit Committee	√		
5. (2) (c)	Qualification & Experience of Audit Committee members	√		
5. (2) (d)	Casual vacancy in Audit Committee members	√		
5. (2) (e)	Secretary of the Audit Committee	√		
5. (2) (f)	Quorum of the Audit Committee	√		
<b>5. (3)</b>	<b>Chairperson of the Audit Committee</b>			
5. (3) (a)	Board of Directors shall select the Chairperson, who shall be an Independent Director	√		
5. (3) (b)	In absence of Chairperson, remaining members may elect one of themselves as chairperson	√		
5. (3) (c)	Chairman of the audit committee shall remain present in the AGM.	√		
<b>5. (4)</b>	<b>Meeting of the Audit Committee</b>			
5. (4) (a)	Committee shall conduct at least four meeting in a financial year	√		
5. (4) (b)	Quorum of the meeting	√		
<b>5. (5)</b>	<b>Role of Audit Committee</b>			
5. (5) (a)	Oversee the financial reporting process	√		
5. (5) (b)	Monitor choice of accounting policies and principles	√		
5. (5) (c)	Monitor Internal Audit and compliance process	√		
5. (5) (d)	Oversee hiring and performance of external auditors	√		
5. (5) (e)	Hold meeting with external auditors for review of the annual financial statements before submission to the board for approval or adoption	√		
5. (5) (f)	Review with management, the annual financial statements before submission to the board for approval	√		

5. (5) (g)	Review with management the quarterly and half yearly financial statements before submission to the board for approval	√		
5. (5) (h)	Review the adequacy of internal audit function	√		
5. (5) (i)	Review the Management's discussion and analysis before disclosing in the Annual Report	√		
5. (5) (j)	Review statements of all related party transactions	√		
5. (5) (k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
5. (5) (l)	Oversee the determination of audit fees	√		
5. (5) (m)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	-	-	N/A
<b>5. (6)</b>	<b>Reporting of the Audit Committee :</b>			
5. (6) (a)	Reporting to the Board of Directors:	√		
5. (6) (a) (i)	Activities of Audit Committee	√		
5. (6) (a) (ii/a)	Report on Conflicts of interests	√		
5. (6) (a) (ii/b)	Suspected fraud or material defect in the internal control system	√		
5. (6) (a) (ii/c)	Suspected infringement of laws, rules and regulations	√		
5. (6) (a) (ii/d)	Any other matter which Audit Committee deems necessary	√		
5. (6) (b)	<b>Reporting to the Authorities</b>	-	-	N/A
<b>5. (7)</b>	<b>Reporting to the Shareholders and General Investors</b>			
<b>6.</b>	<b>Nomination and Remuneration Committee (NRC) :</b>			
6. (1)	<b>Responsibility to the Board of Directors :</b>			
6. (1) (a)	The company shall have a NRC as a sub committee of Board	√		
6. (1) (b)	The NRC shall assist the Board in formulation of nomination criteria or polity	√		
6. (1) (c)	Terms of reference of the NRC shall be clearly set for in writing covering the area stated at condition No.6(5)(b)	√		

<b>6. (2)</b>	<b>Constitution of the NRC</b>			
6. (2) (a)	Comprise at least 3 members including an independent director	√		
6. (2) (b)	All members shall be non-executive directors	√		
6. (2) (c)	Members of the committee shall be nominated and appointed by the Board	√		
6. (2) (d)	Board have authority to remove and appoint any member of the Committee	√		
6. (2) (e)	In case of vacancies, the Board shall fill the vacancy within 180 days of occurring such vacancy.	√		
6. (2) (f)	Chairperson of the Committee may appoint any external expert and or member of staff to the committee as adviser	√		
6. (2) (g)	Company Secretary shall act as secretary of the committee	√		
6. (2) (h)	Quorum of the NRC meeting shall not constitute without attendance of at least an independent director.	√		
6. (2) (i)	No member shall receive any remuneration other than Director's fees or honorarium from the company.	√		
<b>6. (3)</b>	<b>Chairperson of the NRC</b>			
6. (3) (a)	The Board shall select one member of the NRC to be the Chairman of the committee who shall be an independent Director	√		
6. (3) (b)	In absence of Chairperson of the NRC, the remaining member may elect one of themselves as chairperson	√		
6. (3) (c)	The Chairperson of the NRC shall attend the AGM	√		
<b>6. (4)</b>	<b>Meeting of the NRC</b>			
6. (4) (a)	Shall conduct at least 1 meeting in a financial year	√		
6. (4) (b)	Chairperson of NRB may convene any emergency meeting	√		
6. (4) (c)	The Quorum of the meeting	√		
6. (4) (d)	Proceedings of each meeting of NRC shall be recorded in the minutes and confirmed in the next meeting of the NRC	√		

<b>6. (5)</b>	<b>Role of the NRC</b>			
6. (5) (a)	NRC shall be independent and responsible to the Board and to the shareholders	√		
6. (5) (b)	NRC shall oversee the following matters and make report with recommendation to the Board :	√		
6. (5) (b) (i)	Recommend a policy to the Board of Directors of the Company for remuneration of directors, top level Executives Considering the following :	√		
6. (5) (b) (i/a)	Remuneration is reasonable and sufficient	√		
6. (5) (b) (i/b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6. (5) (b) (i/c)	Remuneration to Directors and Top level executive involves a balance between fixed and incentive pay	√		
6. (5) (b) (ii)	Device a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, education	√		
6. (5) (b) (iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position and recommend their appointment and removal to the Board	√		
6. (5) (b) (iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6. (5) (b) (v)	Identifying company's needs for employees at different levels and determine their selection, transfer, replacement and promotion criteria	√		
6. (5) (b) (vi)	Developing, recommending and reviewing annually the company human resources and training policies	√		
<b>7.</b>	<b>External or Statutory Auditors</b>			
<b>7. (1)</b>	Company shall not engage its external or statutory auditors to perform the following service :			
7. (1) (i)	Appraisal or valuation services or Fairness opinions	√		
7. (1) (ii)	Financial information systems design and implementation	√		
7. (1) (iii)	Book-keeping or other services related to accounting records or financial statements	√		
7. (1) (iv)	Broker-dealer services	√		
7. (1) (v)	Actuarial services	√		
7. (1) (vi)	Internal audit services or special audit services	√		
7. (1) (vii)	Any service that the Audit Committee determines	√		
7. (1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1)	√		
7. (1) (ix)	Any other service that create conflict of interest	√		
7. (2)	No partner or employee of the Audit shall possess any share of the company they audit during tenure of their audit; his or her family members shall not hold any shares of the said company	√		

7. (3)	Representative of external audit firm shall remain present in the AGM/EGM and answer the queries of the shareholders	√		
<b>8.</b>	<b>Maintaining a website by the Company :</b>			
8. (1)	Company shall have an official website linked with the website of the Stock exchange	√		
8. (2)	Keep the website functional from the date of listing	√		
8. (3)	The company shall make available the detailed disclosures on its website	√		
<b>9.</b>	<b>Reporting and Compliance of Corporate Governance :</b>			
9. (1)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines and disclosed in the Annual Report.	√		
9. (2)	Who will provide this shall be appointed by the shareholders in the AGM	√		
9. (3)	Directors shall state in Annexure attached whether the company has complied with these conditions	√		

**Independent Auditor's Report**  
**To the Shareholders of Rahima Food Corporation Limited**  
**Report on the audit of the financial statements**

**Qualified Opinion**

We have audited the financial statements of Rahima Food Corporation Limited which comprise the statements of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

- i) **Reference to note- 04**, An amount of BDT 55,114,753 representing a carry forward balance of capital work in progress as per last account has been transferred to Factory Building under the caption "Property, Plant and Equipment". However, the transfer of this amount to an usable asset was not supported by any work completion certificate from the competent authority. The amount so transferred has been recognized as an asset from the date of resumption of commercial operation of the Company.
- ii) **Reference to note- 09**, An amount of BDT 1,74,289 representing balance of four bank accounts against which we were not provided with bank statements for our verification. Moreover, the balances of those bank accounts remained unchanged for a quite long time in the past.
- iii) **Reference to note-13.1** An amount of BDT 12,138,720 has been spent for purchase of a set of machinery of equipment from Bangladesh Cashew Nut Processing Industries Ltd which is a related party of the Company. The asset was purchased through signing a MOU which does not ensure arm's length transaction.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Security and Exchange Commission (BSEC) and Bangladesh Bank and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**MABS & J Partners**  
Chartered Accountants

**Key Audit Matters**

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

<b>See note no 12.00 to The Financial Statements</b>	
<b>Deferred Tax Asset / (Liability)</b>	
At reporting date, the position of Deferred Tax Liability amounting to BDT. 688,386 for the Company. Significant judgment is required in relation to deferred tax Liability as their adjustability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of DTAs and DTLs and the assumptions used in estimating the company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimation's future taxable income.
<b>See Note No 6.00 to the Financial Statements</b>	
<b>Inventory</b>	
The Company has inventory amounting to BDT. 7,663,427 on 30 June 2022 that represents 10% of the Company's total Current Assets.  At the time of conducting our audit of the financial statements of the Company we have considered that; the value of Inventory as key audit area.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of inventory. We also obtained the certificate on the balance of inventory.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**MABS & J Partners**  
Chartered Accountants

**Report on Other Legal and Regulatory Requirements**

In accordance with the regulatory requirement, we also report the following:

- a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the 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;
- c) The statement of financial position and statement of profit or loss dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purpose of the Company's business.

Place: Dhaka, Bangladesh  
Dated: **21 November 2022**

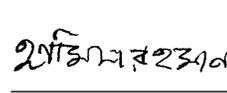
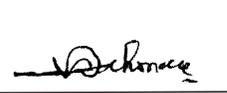
Signed for & on behalf of  
**MABS & J Partners**  
Chartered Accountants



**C R Mazumder FCA**  
Managing Partner  
ICAB Enrollment No.: 178  
DVC No: 2211210178AS519643

**RAHIMA FOOD CORPORATION LTD.**  
**Statement of Financial Position**  
**As at June 30, 2022**

Particulars	Notes	Amount in BDT	
		June 30, 2022	June 30, 2021
<b>ASSETS:</b>			
<b>Non-Current Assets</b>		<b>220,554,307</b>	<b>182,368,927</b>
Property, Plant and Equipment	3.00	91,671,495	8,516,110
Construction in progress	4.00	128,882,812	173,805,392
Other Assets	5.00	-	47,425
<b>Current Assets</b>		<b>76,717,673</b>	<b>174,912,814</b>
Inventories	6.00	7,663,427	-
Accounts receivable	7.00	13,548,000	-
Advance, deposits and prepayments	8.00	2,646,327	7,750,813
Cash and Bank balance	9.00	52,859,919	167,162,001
<b>Total Assets:</b>		<b>297,271,980</b>	<b>357,281,741</b>
<b>SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>190,502,001</b>	<b>185,889,127</b>
Share Capital	10.00	200,002,000	200,002,000
Retained Earnings	11.00	(9,499,999)	(14,112,873)
<b>Non-Current Liabilities</b>		<b>22,921,106</b>	<b>-</b>
Deferred Tax Liability	12.00	688,386	-
Creditors against machinery supplied	13.00	22,232,720	-
<b>Current Liabilities</b>		<b>83,848,873</b>	<b>171,392,614</b>
Current A/C. with Related party	14.00	72,978,269	41,439,854
Accounts payable	15.00	6,938,050	-
Unclaimed Refund Warrant	16.00	-	106,500
Unclaimed Dividend	17.00	403,772	11,356,966
Provision for Workers' Profit Participation Fund	18.00	406,778	535,356
Short time loan against UPAS L/C. facility	19.00	-	92,383,743
Import bills payable	20.00	-	22,936,500
Liabilities for Expenses	21.00	441,592	273,409
Provision for Income Tax	22.00	2,680,412	2,360,286
<b>Total Equity and Liabilities:</b>		<b>297,271,980</b>	<b>357,281,741</b>
<b>Net Asset value per share</b>	32.00	<b>9.53</b>	<b>9.29</b>

 _____ Managing Director Current Charge	 _____ Director	 _____ Chief Financial Officer	 _____ Company Secretary
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The annexed Notes ( 1- 44 ) form an integral part of these Financial Statements and approved by the Board of Directors on 21.11.2022

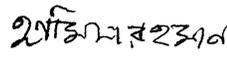
Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants



**C R Mazumder FCA**  
Managing Partner  
ICAB Enrollment no.: 178  
DVC No: 2211210178AS519643

Place: Dhaka, Bangladesh  
Dated: 21.11.2022

**RAHIMA FOOD CORPORATION LTD.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2022**

Particulars	Notes	Amount in BDT	
		June 30, 2022	June 30, 2021
<b>NET TURNOVER</b>	23.00	66,567,600	-
<b>Cost of goods sold</b>	24.00	56,790,160	-
<b>Gross Profit</b>		<b>9,777,440</b>	<b>-</b>
<b>Operating expenses :</b>			
Admin, Selling and General expenses	26.00	7,360,079	6,529,559
<b>Net Operating Income (Loss)</b>		<b>2,417,361</b>	<b>(6,529,559)</b>
<b>Other Income :</b>	27.00		
Interest Income on Bank deposits		6,146,395	10,490,158
<b>Profit before contribution to WPWF</b>		<b>8,563,756</b>	<b>3,960,599</b>
<b>Contribution to WPWF</b>	28.00	406,778	188,128
<b>Profit before Tax</b>		<b>8,156,978</b>	<b>3,772,471</b>
<b>Provision for Tax :</b>			
Provision for Current Tax	29.00	1,631,396	2,360,286
Provision for Deferred Tax - Expense	30.00	735,811	20,984
		2,367,207	2,381,270
<b>Net Profit after Tax</b>		<b>5,789,771</b>	<b>1,391,201</b>
<b>Earning per share</b>	31.00	<b>0.29</b>	<b>0.07</b>
			
<b>Managing Director</b> Current Charge	<b>Director</b>	<b>Chief Financial Officer</b>	<b>Company Secretary</b>

The annexed Notes ( 1- 44 ) form an integral part of these Financial Statements and approved by the Board of Directors on 21.11.2022

Signed for and on behalf of  
**MABS & J Partners**  
Chartered Accountants

  
**C R Mazumder FCA**  
Managing Partner  
ICAB Enrollment no.: 178  
DVC No: 2211210178AS519643

Place: Dhaka, Bangladesh  
Dated: 21.11.2022

**RAHIMA FOOD CORPORATION LIMITED**  
Statement of changes in Shareholders' Equity  
For the year ended 30 June, 2022

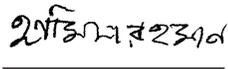
Particulars	Share capital	General Reserve	Retained Earnings	Total
Opening balance	200,002,000	-	(14,112,873)	185,889,127
Profit during the year (From the Statement of Comprehensive Income)			5,789,771	5,789,771
Adjustment for payment of Dividend for the previous year			(1,095,390)	(1,095,390)
Adjustment against expense of the previous year			10,879	10,879
Adjustment for payment of VAT for the year.			(92,386)	(92,386)
<b>Balance as on June 30,2022</b>	<b>200,002,000</b>	<b>-</b>	<b>(9,499,999)</b>	<b>190,502,001</b>

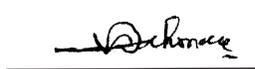
Statement of changes in Shareholders' Equity  
For the year ended 30 June, 2021

Particulars	Share capital	General Reserve	Retained Earnings	Total
Opening balance	200,002,000	-	(8,523,415)	191,478,585
Profit during the year (From the Statement of Comprehensive Income)			1,391,201	1,391,201
Adjustment against Final assessment of Tax by NBR for the previous years			(6,980,659)	(6,980,659)
<b>Balance as on June 30,2021</b>	<b>200,002,000</b>	<b>-</b>	<b>(14,112,873)</b>	<b>185,889,127</b>

The annexed Notes ( 1- 44 ) form an integral part of these Financial Statements and approved by the Board of Directors on 21.11.2022

  
Managing Director  
Current Charge

  
Director

  
Chief Financial Officer

  
Company Secretary

## RAHIMA FOOD CORPORATION LTD.

Statement of Cash Flows  
For the year ended June 30, 2022

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from parties and others	59,176,874	10,490,158
Cash Paid to Employees and Others	(57,392,034)	(13,594,257)
Income Tax Paid	(1,311,270)	(4,850,255)
<b>Net Cash Generated from Operating Activities:</b>	<b>473,570</b>	<b>(7,954,354)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of Property, Plant & Equipments	(17,475,562)	(36,252,237)
Payment of liability against acquisition of plant & equipment	(115,320,243)	
<b>Net Cash Generated from/(Used by) Investing Activities:</b>	<b>(132,795,805)</b>	<b>(36,252,237)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Cash received from Related Party	30,175,237	2,653,973
Received as Interest from bank on un-paid dividend	6,381	-
Payment against un-claimed dividend	(10,992,873)	(89,133)
Payment against un-claimed share subscription money	(106,500)	
Payment against dividend	(1,062,092)	
<b>Net Cash Generated from/(Used by) Financing Activities:</b>	<b>18,020,153</b>	<b>2,564,840</b>
<b>Net Increase/(decrease) in Cash &amp; Cash Equivalents</b>	<b>(114,302,082)</b>	<b>(41,641,751)</b>
Cash & Cash equivalents at opening	167,162,001	208,803,752
<b>Cash &amp; Cash Equivalents at closing</b>	<b>52,859,919</b>	<b>167,162,001</b>

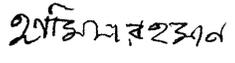
Net Operating Cash flows per share

0.02

(0.40)

The annexed Notes ( 1- 44 ) form an integral part of these Financial Statements and approved by the Board of Directors on 21.11.2022

  
Managing Director  
Current Charge

  
Director

  
Chief Financial Officer

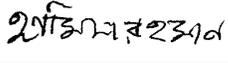
  
Company Secretary

**RAHIMA FOOD CORPORATION LIMITED**  
**Statement of Cash Flows**  
**By reconciliation of Net Profit**

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit(Loss) as per Profit or Loss Statement</b>	<b>5,789,771</b>	<b>1,391,201</b>
Adjustment for expenses not involving cash :		
Depreciation expenses & other expense	3,245,433	221,340
Provision for Income Tax	1,631,396	2,360,286
Deferred Tax expense(Income)	735,811	20,984
Refund of prior year's expense	10,879	
Payment of prior year's expense-VAT and Tax	(1,403,656)	(4,850,255)
Increase in Current Assets -Tax paid at source	(614,639)	(1,049,016)
Increase in Current Assets -Inventories	(7,663,427)	-
Increase in Current Assets -Accts. Receivable, VAT Current A/C.	(13,563,000)	-
Decrease in Current Assets -L/C. margin	5,734,125	(5,734,125)
Increase (decrease)in Current Liabilities -Liabilities for expenses	168,183	(314,769)
Increase (decrease)in Current Liabilities -Acts. Payable-Trade debtors	6,938,050	-
Decrease in Current liability- WPWF	(535,356)	-
<b>Cash flow from operating activities</b>	<b>473,570</b>	<b>(7,954,354)</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITY :</b>		
Acquisition of Property, Plant and Equipment	(17,475,562)	(36,252,237)
Payment of liability against acquisition of palnt & Equipment	(115,320,243)	-
<b>Cash flow from Investment activity</b>	<b>(132,795,805)</b>	<b>(36,252,237)</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITY :</b>		
Cash receipt from Related party	30,175,237	2,653,973
Received as Interest from bank on un-paid dividend	6,381	-
Payment against un-claimed dividend	(10,992,873)	(89,133)
Payment against un-claimed share subscription money	(106,500)	-
Payment against dividend for the previous year	(1,062,092)	-
	<b>18,020,153</b>	<b>2,564,840</b>
<b>Net Increase (decrease) in Cash and Cash equivalent</b>	<b>(114,302,082)</b>	<b>(41,641,751)</b>
Cash & Cash equivalent at opening	167,162,001	208,803,752
<b>Cash &amp; Cash equivalent at closing</b>	<b>52,859,919</b>	<b>167,162,001</b>

The annexed Notes ( 1- 44 ) form an integral part of these Financial Statements and approved by the Board of Directors on 21.11.2022

  
 Managing Director  
 Current Charge

  
 Director

  
 Chief Financial Officer

  
 Company Secretary

## RAHIMA FOOD CORPORATION LIMITED

### Notes, Comprising Summary of Significant Accounting Policies and Other Explanatory Information as on and for the year ended 30 June, 2022.

#### 1.0 The Company & its operations:

##### 1.01 Legal form of the Company:

The Company was incorporated on 06 June, 1990 as a 'Private' Company limited by shares and registered with the Registrar of Joint Stock Companies & Firms of Bangladesh under the Companies Act, 1913. On 28 June, 1996 the Company registered itself as a Public Limited Company under the Companies, Act 1994 and went for Initial Public Offer (IPO) in 1997, which were fully subscribed and issued. The shareholders of the company other than the sponsors are the general public, financial institutions and foreign investors. The shares of the company are listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Ltd.

##### 1.02 Address of Registered Office and factory of the company:

The registered office as well as its factory is situated in its own premises at Uttar Rupshi, Rupgonj, Narayangonj.

##### 1.03 Nature of Business of the company:

The principal activities of the Company had been to deal in the business of refined edible oil and vegetable ghee produced in its own refinery by processing crude edible oil imported from abroad and it had been in this business till June, 2013, after which it had to suspend its production activity due to scanty marketability of its products for which it had been sustaining huge loss. At the end of the year 2017 the management of the company had decided to change the nature of production of the company and after due consideration of all factors had decided to set up a Coconut Oil producing plant for producing and marketing of Coconut oil. For more profitable operation of its business, the management of the company thereafter had decided to set up a Cashew Nut Processing plant for processing and marketing of Cashew Nuts in addition to the Coconut oil producing plant. Both the plants have already been set up and continuing commercial operation.

#### 2.00 Significant Accounting Policies and Basis of preparation of financial Statements:

##### 2.01 Basis of Preparation & Presentation of the Financial Statements:

The financial statements have been prepared and the disclosures of information were made in accordance with the requirements of the Companies Act, 1994, IAS and IFRS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as International Accounting Standard (IAS) & International Financial Reporting Standard (IFRS). The Statement of Financial Position and Statement of Comprehensive Income have been prepared according to IAS-1 "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh and Statement of Cash Flows according to IAS-7 "Cash Flow Statements".

**2.02 Accounting Convention, Assumption & Estimates:**

Preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual result could differ from estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of Management estimates in these financial statements relate to the useful life of depreciable assets and valuation of inventories. However, assumptions and judgments made by Management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying mounts of assets and liabilities in the next year.

**2.03 Risk and Uncertainty for Use of Estimates:**

The preparation of financial statements in conformity with Bangladesh Accounting Standards requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities furring and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

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

**2.04 Principal Accounting Policies:**

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework for preparation and presentation of the financial statements. Financial statements have been prepared and presented in compliance with IAS-1 "Presentation of Financial Statements". The previous year's figures were formulated according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation policies affecting the financial position and performance of the Company. However, changes made to the presentation are explained in the note for each respective item. Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS-1.

**2.04.1 Legal Compliance:**

The financial statements have been prepared and the disclosures of information were made in accordance with the requirements of the Companies Act, 1994 and IASs adopted by the ICAB. On the basis of these regulations, International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) were applied with applicable standards in preparing the Financial Statements.

**2.04.2 Critical Accounting Estimates, Assumptions & Judgments:**

The preparation of the financial statements is in conformity with IFRS requirements, the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies.

**2.05 Going Concern:**

The Company has been continuing its commercial operation and has necessary resources to continue in operation for the foreseeable future. For these reasons the Directors continue to adopt going concern basis in preparing the financial statements.

**2.06 Components of the Financial Statements:**

According to the International Accounting Standards (IAS)-1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- Statement of Financial Position as at 30 June, 2022;
- Statement of Profit or Loss and other comprehensive Income for the year ended 30 June, 2022;
- Statement of Changes in Equity for the year ended 30 June, 2022
- Statement of Cash Flows for the year ended 30 June, 2022; and
- Accounting Policies and Explanatory Notes for the year ended 30 June, 2022.

**2.07 Application of Standards:**

The following IASs are applicable for the financial statements for the year under review:

- IAS-1 Presentation of Financial Statements;
- IAS-2 Inventories;
- IAS-7 Cash Flow Statements;
- IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors;
- IAS-10 Events after the Balance Sheet Date;
- IAS-12 Income Taxes;
- IAS-16 Property, Plant & Equipment;
- IAS-19 Employee Benefits;
- IAS-21 The Effects of Changes in Foreign Exchange Rate;
- IAS-23 Borrowing Costs;
- IAS-24 Related Parties Disclosure;
- IAS-33 Earnings per Share;
- IAS-34 Interim Financial Reporting;
- IAS-37 Provisions, Contingent Liabilities and Contingent Assets;

**2.08 Property, Plant & Equipment:**

Tangible fixed assets are accounted for according to IAS-16: Property, Plant and Equipment at historical cost less cumulative depreciation and the Capital Work-in-progress is stated at cost. Both tangible and intangible assets are depreciated/amortized according to the diminishing balance method.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as other income (loss) and reflected in the Statement of Comprehensive Income.

**2.09 Depreciation of the Fixed Assets:**

Consistently, depreciation is provided on diminishing balance method based on written down value at which the asset is carried in the books of account. Depreciation continues to be provided until such time as the written down value is reduced to Taka one.

Depreciation on acquisition of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged during the year on Assets which were actually put to use and from the date of its use.

The depreciation/amortization rate(s) are as follows:

Category of Fixed Assets	Rate %
Land & Land Development	-
Factory Building- Cashew Nuts	4
Factory Building- Coconut oil	10
Office room	10
Plant & Machinery-Imported, Coconut Oil plant	10
Plant & Machinery-Local, Coconut Oil plant	10
Plant & Machinery-, Cashew Nuts plant	10
Weighing Scales	10
Furniture & Fixtures	10
Office Equipment	6
Motor Vehicle	20
Delivery vehicles	20

**2.10 Valuation of Inventories:**

Inventories are stated at the lower of cost or market value in compliance to the requirements of Para 21 and 25 of IAS-2.

**Category of Inventories****Basis of Valuation**

Raw & Packing Materials  
Work-in-Progress  
Finished Goods

At Weighted Average Cost  
At Standard Cost  
At Standard Cost

Standard cost comprises value of materials, standard activity cost and overheads.

**2.11 Cash & Cash Equivalents:**

Cash & cash equivalents include cash in hand, cash at banks, term deposits which are available for use by the Company without any restrictions. There is an insignificant risk of change in value of the same.

**2.12 Creditors & Accrued Expenses:****2.12.1 Trade & Other Payables:**

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company.

**2.12.2 Provision:**

The preparation of financial statements are in conformity with Bangladesh Accounting Standards, IAS-37 Provisions. Contingent Liabilities and Contingent Assets requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during and at the date of the financial statements were made.

**2.13 Taxation:**

Taxation is provided in accordance with fiscal regulations applicable. The company is publicly traded company as per *the Income Tax Ordinance, 1984*. The company qualifies for being treated as a "Publicly Traded Company" for which the rate for tax at **20%** has been applied while making provision for income tax.

**2.14 Deferred Tax:**

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. RFCL recognized deferred tax liabilities for all taxable temporary differences.

**2.15 Contingent Liabilities & Assets:**

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the Company. In accordance with IAS-37 Provision, Contingent Liabilities and Contingent Assets are disclosed in the notes to the financial statements.

**2.16 Revenue Recognition:**

In compliance with the requirements of IFRS-15: Revenue from contract & customers, revenue is recognized only when:

- Upon the receipts either in cash or through banking channel or otherwise of the proceeds from trading of the merchandise as well as rendering of service upon mercantile system; and
- Interest income is recognized on accrual basis.

Revenue from sales is exclusive of VAT.

**Turnover:**

Turnover Comprises sales of the company excluding VAT etc.

**Commission:**

No commission has been paid to sales agents during the year under audit.

**Brokerage or Discount:**

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

**2.17 Statements of Cash Flows:**

Statement of Cash Flows is prepared principally in accordance with IAS-7: Cash Flow Statements and the cash flows from operating activities have been presented under direct method as well as by reconciliation of Net profit.

**2.18 Earning per Share:**

The Company calculates Earning per Share (EPS) in accordance with IAS-33 “Earning per Share”, which has been shown on the face of Statement of Comprehensive Income, and the computation of EPS is stated in the note.

**2.18.1 Basic Earnings:**

This represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to ordinary shareholders.

**2.18.2 Weighted Average Number of Ordinary Shares Outstanding during the year:**

Computation of weighted average number of ordinary shares is not required, as number of shares outstanding has not been changed during the year under review.

**2.18.3 Basic Earnings per Share:**

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

**2.18.4 Diluted Earnings per Share:**

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

**2.19 Authorization date for issuing Financial Statements:**

The financial statements were authorized by the Board of Directors on 21.11.2022 for issue after completion of review.

**2.20 Comparative:**

Financial statements are presented as per IAS-1 “Presentation of Financial Statements” and comparative figures are presented for the Statement of Financial Position as at June 30, 2021 and for the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2021 as per IAS-34.

**2.21 Reporting Period:**

The financial statements cover a period of one year from 01 July, 2021 to 30 June, 2022.

**2.22 General:**

Wherever considered necessary, previous year’s figures have been rearranged during the current year to conform to the current year’s presentation. Figures appearing in the financial statements have been rounded off to the nearest Taka.

**2.23 Consistency:**

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, the Company applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8.

**2.24 Reorganization of Property, Plant & Equipment and Depreciation:**

Property, Plant and Equipment are stated at their cost (Fair value for Building & other construction) less accumulated depreciation in accordance with IAS 16 “Property, Plant and Equipment”. Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods. No depreciation is charged on land and land development. Depreciation has been charged on additions from the date of available for use. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditure of maintenance and repairs are expensed; major replacement, renewals and betterments are capitalized.

**2.25 Foreign Currency Translation:**

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 “The Effects of Changes in Foreign Currency Rates”.

**2.26 Transaction with Related Parties:**

As per IAS 24 “Related Party Disclosures” parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Transaction with related parties have been disclosed in Note 14 in the Financial Statements.

**2.27 Responsibility for the Preparation and Presentation of Financial Statements:**

The board of Directors is responsible for the preparation and presentation of financial statements under Section 183 of the Companies Act, 1994, IAS & IFRS and as per the provision of “The framework for the preparation and presentation of financial statements” issued by the International Accounting Standards Committee (IASC).

**2.28 Employee Benefit Obligations:**

The Company operates a contributory provident fund for its permanent employees. Provident fund is administered by a Board of Trustees and is funded by contributions partly from the employees and partly from the Company at pre-determined rates. These contributions are invested separately from the Company’s assets.

**2.29 Events after the Reporting Period:**

In compliance with the requirements of IAS 10: Events after the balance sheet date are those events that occur between the balance sheet and the date when the financial statements are authorized for issue.

**RAHIMA FOOD CORPORATION LIMITED**  
**Notes to the Financial Statements**  
**For the year ended 30 June, 2022**

Note	Particular	As at & for the year ended	
		30-Jun-22	30-Jun-21
<b>3.00</b>	<b>Property, Plant &amp; Equipment: Tk. 91,671,495</b>		
	The break up of the above amount is as under :		
	Cost value	95,910,776	11,279,914
	Less: Accumulated depreciation	4,239,281	2,763,804
	<b>Written Down Value: (a-b)</b>	<b>91,671,495</b>	<b>8,516,110</b>
	<i>Details are shown in Annexure 'A'</i>		
<b>4.00</b>	<b>Construction in Progress : Tk. 128,882,812</b>		
	<b>A) Factory building :</b>		
	Opening balance	55,114,753	22,249,412
	Addition during the year	-	32,865,341
		<b>55,114,753</b>	<b>55,114,753</b>
	Transferred to Fac. Building -Coconut Oil plant	(27,557,377)	-
	Transferred to Fac. Building -Cashew Nut Processing plant	(27,557,376)	-
	<b>Closing Balance (A)</b>	<b>-</b>	<b>55,114,753</b>
	<b>B) Plant &amp; Machinery Installation in progress :</b>		
	Opening balance	118,690,639	-
	Addition during the year	10,192,173	118,690,639
	<b>Closing Balance (B)</b>	<b>128,882,812</b>	<b>118,690,639</b>
			-
	<b>Total Construction in Progress ( A + B ) :</b>	<b>128,882,812</b>	<b>173,805,392</b>
	The amount in Construction in Progress of Factory Building Account has been transferred to Factory Building Account immediately after the date the plant commenced commercial operation. Part of the Factory building cost (50%) has been transferred to Factory Building -Cashew Nut Processing Plant Account on the date, the Cashew Nut processing plant started commercial operation and the rest amount remained in Factory Building - Coconut oil producing plant Account.		
<b>5.00</b>	<b>Other Assets :</b>		
	Deferred Tax Assets	-	47,425
	This is the difference between Carrying value and Tax based value of the Assets in the books of Accounts.		
<b>6.00</b>	<b>Inventories : Tk. 7,663,427</b>		
	The break up of the above amount is as under :		
	Stock of Finished goods- Cashew Nuts (Note 24.01)	621,515	-
	Stock of Raw materials- Cashew Nuts(Note 24.02)	1,788,150	-
	Stock of goods manufactured-Coconut Oil( 25.00)	4,253,373	-
	Stock of Raw materials- Coconut oil (Note 25.01)	1,000,389	-
		<b>7,663,427</b>	<b>-</b>

Note	Particular	As at & for the year ended	
		30-Jun-22	30-Jun-21
<b>7.00</b>	<b>Accounts receivable ( Un- secured ) : Tk. 13,548,000</b>		
	The break up of the above amount is as under :		
	Rubel Trading	3,036,000	-
	Azan Store	2,006,000	-
	S.M.Enterprise	2,184,600	-
	Salam Enterprise	3,951,400	-
	Agata Feed Mills	2,370,000	-
		<b>13,548,000</b>	<b>-</b>
	i) All the debts are good and have been collected during the sbsequent period.		
	ii) No amount has been due by the Directors, including the Managing Director and other officers of the company and any of them severally and jointly with any other person.		
<b>8.00</b>	<b>Advances, Deposits and Pre-payments : Tk. 2,646,327</b>		
	The break up of the above amount is as under :		
	L/C. margin	-	5,734,125
	Bank guarantee margin	90,440	90,440
	VAT Current Account	16,132	1,132
	Tax paid at source	1,663,655	1,049,016
	Security Deposit - CDBL	300,000	300,000
	Security Deposit-Palli Bidduth samity	39,150	39,150
	Security Deposit - Titas Gas	536,950	536,950
	<b>Closing Balance:</b>	<b>2,646,327</b>	<b>7,750,813</b>
	L/C.		
	Bank Guarantee margin represents the amount deposited with Islami Bank Bangladesh Ltd., Farmgate Br, for issuing bank guarantees in favour of Titas Gas Transmission & Distribution Co. Ltd. for obtaining gas line connection to the factory. The bank guarantees are BG-17 for Tk.812,800/-, BG-18 for Tk. 168,400/- and BG-19 for Tk. 74,974/-.		
	Security deposits represent the amount paid by the company with different service providing orgnizations for obtaining service from them.		
	In the opinion of the Directors, all the advances, deposits and pre-payments are realizable in the ordniry course of business, at a value at least equal to the amounts at which they are stated in this Statement of Financial Position.		
	No amount was due by the Directors, including the Managing Director and other officers of the company and any of them severally or jointly with any other person.		
<b>9.00</b>	<b>Cash &amp; Cash Equivalent: Tk. 52,859,919</b>		
	The break up of the above amount is as under :		
	<b>Cash in hand:</b>	32,955	47,775
	<b>Cash at Bank :</b>		
	Standard Chartered Bank Ltd. (A/C no.: 71001)	83,438	83,438
	AB Bank Ltd.; Mohakhali Br. (A/C no.: 47094000)	13,734	13,734
	NCC Bank Ltd., Uttara Br. (A/C no.: 000085)	60,801	60,801
	Sonali Bank Ltd., Motijheel Br. (A/C no.: 69893)	16,316	16,316
	One Bank Ltd., Uttara Br. (C/D A/C no.:61020008414)	52,082,119	166,939,937
	Pubali Bank, Foreign Exchange Branch(2905102001600)	570,556	-
	<b>Total</b>	<b>52,859,919</b>	<b>167,162,001</b>
	Cash in hand has been verified by the Management of the company at the close of the year and a cash custody certificate was furnished to the Auditors.		
	Bank Accounts representing the same balance in the current year as that of the pevious year are dorment Accounts and there was no transaction in these Accounts during the year.		

Note	Particular	As at & for the year ended	
		30-Jun-22	30-Jun-21
10.00	<b>Share capital : Tk. 200,002,000</b>		
	<b>Authorised Capital :</b>	<b>500,000,000</b>	<b>500,000,000</b>
	50,000,000 ordinary shares of Tk. 10/- each		
	<b>Issued, subscribed &amp; paid up capital</b>		
	20,000,200 ordinary shares of Tk. 10/- each	<b>200,002,000</b>	<b>200,002,000</b>

**A) Composition of shareholding :**

	2021-2022		2020-2021	
	No. of Shares	%	No. of Shares	%
a) Sponsors / Directors	7,474,444	37.38	9,046,300	45.23
b) Foreign Investors	1,000,000	4.99	1,000,000	4.99
c) Institutions	2,638,192	13.19	2,562,200	12.82
d) General Public	8,887,564	44.44	7,391,700	36.96
<b>Total:</b>	<b>20,000,200</b>	<b>100</b>	<b>20,000,200</b>	<b>100</b>

**B) Details of the shareholding is given below :**

The distribution schedule showing the number of shareholders and their shareholding in percentage has been disclosed below as required under Listing Regulation of Dhaka and Chittagong Stock Exchanges :

Range of holdings in number of shares	No. of Shareholders	Number of Shares	Holding %
	2021- 2022	2021-2022	2021- 2022
1 to 500	3996	1,598,417	8.00
501 to 1,000	1702	1,276,569	6.39
1,001 to 5,000	601	1,201,042	6.00
5,001 to 10,000	776	3,149,589	15.75
10,001 to 100,000	179	2,360,283	11.81
100,001 to 250,000	-	-	-
250,001 to 500,000	1	368,000	1.83
500,001 to 1,000,000	1	1,000,000	4.99
1,000,001 to 9,999,999	6	9,046,300	45.23
<b>Total:</b>	<b>7262</b>	<b>20,000,200</b>	<b>100</b>

C) The share of the company is listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. and is quoted at Taka 270.60 and Taka 268.80 on 30.6.2022 at Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. respectively.

**11.00 Retained Earnings : Tk. -9,499,999**

The break up of the above amount is as under :

Opening Balance	(14,112,873)	(8,523,415)
Net profit/(Loss) during the year	5,789,771	1,391,201
Payment of dividend for the previous year	(1,095,390)	-
Adjustment against expense of the previous year	10,879	-
Adjustment for payment of VAT for the previous year	(92,386)	-
Adjustment for payment of Tax for the previous years	-	(6,980,659)
<b>Closing Balance:</b>	<b>(9,499,999)</b>	<b>(14,112,873)</b>

During the previous year, the company paid 1% cash dividend to the Public shareholders other than the Directors, which has been approved by the shareholders in Annual General Meeting of the company held on 27.12.2021.

Note	Particular	As at & for the year ended	
		30-Jun-22	30-Jun-21
<b>12.00</b>	<b>Deferred Tax : Asset / (Liability) Tk. -688,386</b>		
	The break up of the above amount is as under :		
	<b>Carrying Value :</b>		
	Assets	212,430,602	392,405
		<b>212,430,602</b>	<b>392,405</b>
	<b>Tax based value :</b>		
	Assets	208,988,671	603,183
		<b>208,988,671</b>	<b>603,183</b>
	Temporary difference	(3,441,931)	210,778
	<b>Deferred Tax : Asset (Liability) :</b>	<b>(688,386)</b>	<b>47,425</b>
<b>13.00</b>	<b>Creditors against machinery supplied : Tk. 22,232,720</b>		
13.01	Bangladesh Cashew Nut Processing Industrial Ltd.	12,138,720	-
13.02	M/S. Abu Khaer Trading Corporation	10,094,000	-
		<b>22,232,720</b>	<b>-</b>
	This represents the amount payable to the above company for purchase of full set of machinery of Cashew Nut Processing plant, imported by them. As per agreement (MOU) signed with them, the liability is payable after 3(three) years from the date of signing the MOU with no interest or charge for this period.		
	This redrepresents the amount payable to the above party for purchase of machinery from them for production of coconut oil. The bill for supply of machinery is payable after 3(thre) yeas with no interest or any other charge for the credit period.		
<b>14.00</b>	<b>Current Account with Related party : Tk. 72,978,269</b>		
	The break up of the above amount is as under :		
	A/C. balance with City Sugar Industries Ltd.	71,615,091	41,439,854
	A/C. balance with City Seed Crashing Industries Ltd.	1,363,178	-
		<b>72,978,269</b>	<b>41,439,854</b>
<b>14.01</b>	<b>A/C. balance with City Sugar Industries Ltd.</b>		
	Opening balance	41,439,854	
	Add: Addition during the year	800,175,237	
	Less: Adjustments during the year	50,000,000	
	<b>Closing Balance</b>	<b>791,615,091</b>	
	Transaction with City Sugar Industries Ltd. arises out of Fund transfer for favour of financing business of the company and transaction with City Seed Crashing Industries Ltd. arises out of Utility service received by the company from them. During the year under report, they charged Taka 8.50 per Kw. for supply of electricity and Taka 1,200/- per MT Steam supplied for steaming Cashew Nut. They also charged Taka 1,35,450/- for payment of Workers' bill for production work @ Tk. 450/- per worker working Transaction with Related party bears no interest or any other charge.		
<b>15.00</b>	<b>Accounts payable : Tk. 6,938,050</b>		
	Md. Shahabuddin, Trade Creditor	6,908,150	-
	City Edible oil Ltd.	29,900	-
		<b>6,938,050</b>	<b>-</b>

Note	Particular	As at & for the year ended	
		30-Jun-22	30-Jun-21

**16.00 Un-claimed Refund Warrant : Tk. 0**

Unclaimed Refund Warrant - **106,500**

This represents the unclaimed share subscription money against IPO. During the year under report, the amount has been transferred to Capital Market Stabilization Fund SND A/C. with Community Bank Bangladesh Ltd. as per directive issued by Bangladesh Securities & Exchange Commission.

**17.00 Un-Claimed Dividend : Tk. 403,772**

The break up of the above amount is as under :

1997-1998	-	390,540
2001-2002	-	325,292
2007-2008	-	713,468
2008-2009	-	927,120
2009-2010	-	1,903,855
2010-2011	-	1,993,786
2011-2012	-	1,642,308
2012-2013	-	2,822,109
2017-2018	-	274,395
2018-2019	364,093	364,093
2020-2021	33,298	-
Interest Income on un-paid dividend (Net of Tax and charges)	6,381	-
<b>Total :</b>	<b>403,772</b>	<b>11,356,966</b>

This represents the amount that could not be paid to the respective shareholders due to discrepancies in their bank A/C. or non-claim by the receiver of dividend by placing dividend warrant in their bank. Un-claimed dividend for the year from 1997-1998 to 2017-2018 amounting to Taka 10,992,873/- has been transferred to Capital Market Stabilization Fund SND A/C. with Community Bank Bangladesh Ltd. as per directive Issued by BSEC.

**18.00 Provision for Workers Profit participation/Welfare Fund : TK. 406,778**

The break up of the above amount is as under :

Opening balance	535,356	347,228
Addition during the year	406,778	188,128
Less : Amount paid during the year	(535,356)	-
<b>Closing balance</b>	<b>406,778</b>	<b>535,356</b>

**19.00 Short time loan against UPAS L/C. facility : Tk. 0**

The break up of the above amount is as under :

Opening balance	92,383,743	-
Addition during the year	-	92,383,743
Less : Amount adjusted during the year	(92,383,743)	-
<b>Closing balance :</b>	<b>-</b>	<b>92,383,743</b>

Import bills for USD 967,200.00 and USD 112,800.00 for import of capital machinery, payable at sight have been settled by discounting the bills on 20.4.2021 and 3.6.2021 respectively with Offshore unit of One Bank Ltd. The liability with the said bank have been settled during the year under report.

Note	Particular	As at & for the year ended	
		30-Jun-22	30-Jun-21
20.00	<b>Import bills payable : Tk. 0</b>		
	The break up of the above amount is as under :		
	Opening balance	22,936,500	-
	Addition during the year	-	22,936,500
	Less : Amount settled during the year	(22,936,500)	-
	<b>Closing balance :</b>	<b>-</b>	<b>22,936,500</b>
	Import bills for USD 241,800.00 and USD 28,200.00 for import of capital machinery payable on 29.3.2022 and 14.5.2022 respectively have been settled during the year under report.		
21.00	<b>Liabilities for Expenses : Tk. 441,592</b>		
	The break up of the above amount is as under :		
	Board meeting & Audit Audit Committee meeting attendance fee	25,000	30,000
	Salaries & Wages	-	-
	Liabilities against food items purchased for employees	174,749	115,948
	Telephone, Fax & Internet charges	-	4,600
	Audit Fees	230,000	105,000
	Tax deducted at source	2,353	13,826
	Vat and Excise	9,490	4,035
		<b>441,592</b>	<b>273,409</b>
22.00	<b>Provision for Income Tax : Tk. 2,680,412</b>		
	Opening balance	2,360,286	9,259,449
	Provision during the year (Note 29.00)	1,631,396	2,360,286
	Tax paid against provision for 2020-2021	(1,311,270)	
	Adjustment on final assessment Tax by NBR for the previous years		(9,259,449)
	<b>Closing Balance:</b>	<b>2,680,412</b>	<b>2,360,286</b>

Note	Particular	As at & for the year ended			
		30-Jun-22		30-Jun-21	
		Qty.(MT)	Amount In BDT	Qty.(MT)	Amount In BDT
<b>23.00</b>	<b>Turnover : Tk. 66,567,600</b>				
	The break up of the above amount is as under :				
	Sale of Cashew Nuts	90.46	58,817,600	-	-
	Sale of By-product of Cashew Nuts	310.00	7,750,000	-	-
		<u>400.46</u>	<u>66,567,600</u>	<u>-</u>	<u>-</u>
<b>24.00</b>	<b>Cost of Goods sold : Tk. 56,790,160</b>				
	<b>Cost of Cashew Nuts sold (Note 24.01)</b>		<u>56,790,160</u>		<u>-</u>
<b>24.01</b>	<b>Cost of Cashew Nuts sold : Tk. 56,790,160</b>				
	The break up of the above amount is as under :				
	Raw materials consumed (Note 24.02)	424	55,120,000	-	-
	Cost of Labour		382,030	-	-
	Factory Overhead cost Note (24.03)		1,909,645	-	-
	Cost of goods manufactured	<u>91.45</u>	<u>57,411,675</u>	<u>-</u>	<u>-</u>
	Less : Stock of Finished goods	0.99	621,515	-	-
	<b>Cost of Cashew Nuts sold</b>	<u>90.46</u>	<u>56,790,160</u>	<u>-</u>	<u>-</u>
<b>24.02</b>	<b>Raw Materials consumed (Cashew Nuts):Tk. 55,120,000</b>				
	The break up of the above amount is as under :				
	Opening Stock	-	-	-	-
	Purchase during the year	437.755	56,908,150	-	-
		<u>437.755</u>	<u>56,908,150</u>	<u>-</u>	<u>-</u>
	Less : Closing Stock of Raw materials	13.755	1,788,150	-	-
		<u>424.00</u>	<u>55,120,000</u>	<u>-</u>	<u>-</u>
<b>24.03</b>	<b>Factory Overhead cost (Cashew Nuts ):Tk. 1,909,645</b>				
	The break up of the above amount is as under :				
	Indirect Materials		39,240	-	-
	Electricity expense		394,400	-	-
	Cost of Steam		745,200	-	-
	Repair and Maintenance of machinery		53,564	-	-
	Repair and Maintenance of factory building		35,150	-	-
	Depreciation expense		642,091	-	-
			<u>1,909,645</u>	<u>-</u>	<u>-</u>
<b>25.00</b>	<b>Cost of Coconut oil manufactured :Tk. 4,253,373</b>				
	The break up of the above amount is as under :				
	Cost of Raw materials (Note 25.01)		3,249,050	-	-
	Cost of Labour		135,450	-	-
	Factory Overhead cost ( Note 25.02 )		868,873	-	-
	Stock of Coconut oil manufactured		<u>4,253,373</u>	<u>-</u>	<u>-</u>

Note	Particular	As at & for the year ended			
		30-Jun-22		30-Jun-21	
		Qty.(MT)	Amount In BDT	Qty.(MT)	Amount In BDT
<b>25.01</b>	<b>Cost of Raw materials- Coconut Oil :Tk. 3,249,050</b>				
	The break up of the above amount is as under :				
	Opening Stock	-	-	-	-
	Purchase during the year	24.00	4,249,439	-	-
		<b>24.00</b>	<b>4,249,439</b>	-	-
	Less : Closing Stock	5.65	1,000,389	-	-
		<b>18.35</b>	<b>3,249,050</b>	-	-
<b>25.02</b>	<b>Factory Overhead Cost- Coconut Oil Tk. 868,873</b>				
	The break up of the above amount is as under :				
	Indirect materials		3,840	-	-
	Electricity expense		88,128	-	-
	Depreciation expense		776,905	-	-
			<b>868,873</b>		
<b>26.00</b>	<b>Admin., Selling and General expenses :Tk. 7,360,079</b>				
	The break up of the above amount is as under :				
	Board meeting attendance fee		60,000	30,000	
	Salary and allowances		3,822,600	3,656,400	
	Travelling and conveyance		39,770	41,370	
	Office entertainment expense		10,423	14,000	
	Telephone, Fax and Internet charges		62,200	55,200	
	Repair and maintenance		15,000	-	
	Postage and Courier		1,350	930	
	Printing and photo copy		18,699	1,546	
	Licence, fees and subscription		612,502	292,775	
	Vehicle operation and maintenance		217,337	287,064	
	Audit fee		230,000	105,000	
	Stationery charges		15,325	25,563	
	Papers and periodicals		2,890	2,960	
	Bank charges		71,303	55,329	
	Expenses for A.G.M		790,162	799,730	
	Publicity and Advertisement		1,122,012	1,065,454	
	Legal and Professional fee		125,000	-	
	Other office expenses		87,025	63,026	
	Depreciation expense		56,481	33,212	
			<b>7,360,079</b>	<b>6,529,559</b>	
<b>27.00</b>	<b>Other Income :Tk. 6,146,395</b>				
	Income from Interest on Bank deposits		<b>6,146,395</b>	<b>10,490,158</b>	
<b>28.00</b>	<b>Contribution to Workers's Profit Participation &amp; Welfare Fund : Tk. 406,778</b>				
	The break up of the above amount is as under :				
	Profit before contribution to WPWF		8,563,756	3,960,599	
	<b>Contribution to WPWF</b>		<b>406,778</b>	<b>188,128</b>	

This represents statutory contribution by the company as per Bangladesh Labour Act,2006. The amount is computed @ 5% of net profit before Tax, but after charging such contribution.

Note	Particular	As at & for the year ended			
		30-Jun-22		30-Jun-21	
		Qty.(MT)	Amount In BDT	Qty.(MT)	Amount In BDT
<b>29.00</b>	<b>Provision for Current Tax :Tk. 1,631,396</b> The break up of the above amount is as under :				
	Profit before Tax		<b>8,156,978</b>		<b>3,772,471</b>
	<b>Provision for Tax</b>		<b>1,631,396</b>		<b>2,360,286</b>
	Estimation of Current Tax has been made for the year under report, applying the Tax rate applicable for the Public Traded company. During the previous year, the company was not in business operation and therefore no operating expense had been considered for Tax calculation purpose.				
<b>30.00</b>	<b>Provision for Deferred Tax :Tk. 735,811</b>				
	Deferred Tax Asset( Liability) at the beginning of the year		47,425		68,409
	Deferred Tax Asset( Liability) at the end of the year		(688,386)		47,425
	<b>Deferred Tax expense</b>		<b>735,811</b>		<b>20,984</b>
<b>31.00</b>	<b>Earning Par Share:</b>				
	Earning attributable to the shareholders		5,789,771		1,391,201
	Number of shares outstanding		20,000,200		20,000,200
	<b>Earning Par Share ( EPS)</b>		<b>0.29</b>		<b>0.07</b>
	Deviation of the EPS of the current year with that of the previous year is due to Income by operational activities during the current year which was absent in the previous year.				
<b>32.00</b>	<b>Net Asset value (NAV) per share : Tk.</b>				
	Net Assets		190,502,001		185,889,127
	Number of shares outstanding		20,000,200		20,000,200
	<b>Net assets value per share</b>		<b>9.53</b>		<b>9.29</b>
<b>33.00</b>	<b>Net Operating Cash Flow per share (NOCFPS) :</b>				
	<b>Net Cash Flow from Operating activities</b>		473,570		(7,954,354)
	Number of shares outstanding		20,000,200		20,000,200
	<b>Net Operating Cash Flow per share (NOCFPS)</b>		<b>0.02</b>		<b>(0.40)</b>
	Deviation of the NOCFPS of the current year with that of the previous year is due to positive cash flow from operational activities during the current year which was absent in the previous year.				
<b>34.00</b>	<b>Reconciliation of cash flows from operating activities under indirect method : Tk. 473,570</b>				
	<b>Net Profit(Loss) as per Profit or Loss Statement</b>		5,789,771		1,391,201
	Adjustment for expenses not involving cash :				
	Depreciation expenses & other expense		3,245,433		221,340
	Provision for Income Tax		1,631,396		2,360,286
	Deferred Tax expense(Income)		735,811		20,984
	Refund of prior year's expense		10,879		-
	Payment of prior year's expense-VAT and Tax		(1,403,656)		(4,850,255)
	Increase in Current Assets -Tax paid at source		(614,639)		(1,049,016)
	Increase in Current Assets -Inventories		(7,663,427)		-
	Increase in Current Assets -Accts. Receivable, VAT Current A/C.		(13,563,000)		-
	Decrease in Current Assets -L/C. margin		5,734,125		(5,734,125)
	Increase (decrease)in Current Liabilities -Liabilities for expenses		168,183		(314,769)
	Increase (decrease)in Current Liabilities -Acts. Payable-Trade debito		6,938,050		-
	Decrease in Current liability- WPF		(535,356)		-
	<b>Cash flow from operating activities</b>		<b>473,570</b>		<b>(7,954,354)</b>

**35.00 Commission, Brokerage or Discount :**

No commission, Brokerage or discount against sales was paid during the year under report.

**36.00 Payment in Foreign Currency :**

Payment in Foreign Currency for an amount of USD 270,000.00 for settlement of liability for import of capital machinery has been made during the year under report.

**37.00 Perquisites to employees :**

There was no employee in the employment of the company drawing salary less than Taka 3,000/- per month. Number of employees in the employment of the company during the year under report was 5 ( Five) and each of them was drawing salary more than Taka 3,000/- per month.

**38.00 Audit fee :**

Audit fee during the year under report comprises of Auditors' remuneration excluding VAT for Audit of Accounts and remuneration excluding VAT for certification of compliance of Corporate Governance Code as per guide line issued by BSEC.

**39.00 Payment of perquisites to Directors/ Officers :**

a) During the year total 13 Board Meeting were held.

b) No compensation was paid by the company to the Managing Director/ Chief Executive officer/ Directors of the company during the year under report.

c) No Board meeting attendance fee was paid to the Directors of the company for attending Board meeting excluding the Independent Director, who was paid fees for attending Board Meeting and Audit Committee Meeting during the year.

d) No amount of money was spent by the company for compensating any member of the Board / Officer of the company for special services rendered by them during the year.

**40.00 Related party disclosures :**

Transactions with Related parties, i.e. City Sugar Industries Ltd. and City Seed Crashing Industries have been disclosed in Note 14 of the Accounts, as required under IAS 24.

**41.00 Credit contract :**

There was no credit facility available to the company under any contract (other than credit available in ordinary course of business) on the date of the financial statements.

**42.00 Dividend :**

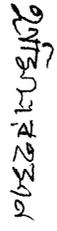
During the previous year, the company paid 1% cash dividend to the Public shareholders other than the Directors, which has been approved by the shareholders in Annual General Meeting of the company held on 27.12.2021.

43.00 Salary Range: Salary Range of the Employees are given below:

Sl. No.	Salary Range	No. of Person	
		2021-2022	2020-2021
1	5,000-15,000	2	2
2	15,001-25,000	1	1
3	25,001-50,000	1	1
4	50,001-200,000	1	1
<b>Total</b>		<b>5</b>	<b>5</b>

44.00 Others :

- a) There was no claim against the company not acknowledged as debt on the date of the financial statements.
- b) There was no Capital expenditure contract but not incurred or provided for.
- c) The company had no contingent liability/ Asset on the date of the Financial Statements.
- d) Previous years figures have been re-arranged to confirm to the Current year's presentation.

 Managing Director Current Charge	 Director	 Chief Financial Officer	 Company Secretary
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Schedule of Property, Plant & Equipment  
As at and for year ended June 30, 2022

Annexure - A  
*Figures are in BDT (Taka)*

PARTICULARS	COST		D E P R E C I A T I O N		Written Down Value June 30, 2022			
	As on July 01, 2021	Addition (Disposal)	As on June 30, 2022	Rate of Depreciation		As on July 01, 2021	Charged (Adjustment)	As on June 30, 2022
Land & Land Development	8,123,705	-	8,123,705	-	-	-	-	8,123,705
Factory Building- Coconut oil plant	-	27,557,377	27,557,377	4%	-	404,678	404,678	27,152,699
Factory Building- Cashew nut processing plant	-	27,557,376	27,557,376	4%	-	404,678	404,678	27,152,698
Office room	-	1,239,555	1,239,555	10%	-	10,169	10,169	1,229,386
Plant & Machinery-Imported	-	-	-	10%	-	-	-	-
Plant & Machinery-Coconut oil plant	-	10,139,027	10,139,027	10%	-	372,227	372,227	9,766,800
Plant & Machinery-Cashew nut plant	-	12,138,720	12,138,720	10%	-	152,981	152,981	11,985,739
Weighing Scales	345,000	35,000	380,000	10%	305,779	3,922	309,701	70,299
Furniture & Fixture	732,649	1,166,108	1,898,757	10%	624,134	30,274	654,408	1,244,349
Office Equipments	763,560	57,950	821,510	6%	525,226	14,771	539,997	281,513
Motor Vehicle- Head office	1,315,000	-	1,315,000	20%	1,308,665	1,267	1,309,932	5,068
Delivery vehicles	-	4,739,749	4,739,749	20%	-	80,510	80,510	4,659,239
<b>As at June 30, 2022</b>	<b>11,279,914</b>	<b>84,630,862</b>	<b>95,910,776</b>		<b>2,763,804</b>	<b>1,475,477</b>	<b>4,239,281</b>	<b>91,671,495</b>
<b>As at June 30, 2021</b>	<b>11,263,414</b>	<b>16,500</b>	<b>11,279,914</b>		<b>2,730,592</b>	<b>33,212</b>	<b>2,763,804</b>	<b>8,516,110</b>

Apportionment of Depreciation for the year is charged as under :

	June 30, 2022	June 30, 2021
Factory Overhead -Coconut plant	776,905	-
Factory Overhead -Cashew Nut plant	642,091	-
Admin., Selling & General expense	56,481	33,212
	<b>1,475,477</b>	<b>33,212</b>

**RAHIMA FOOD CORPORATION LTD.**

Uttar Rupshi, Rupgonj, Narayanganj

**PROXY FORM**

I/We .....  
 ..... of .....  
 ..... being a Shareholder of Rahima Food Corporation Ltd., hereby appoint .....  
 ..... of .....  
 ..... as my/our proxy to attend and vote for  
 me/us and on my/our behalf at the 32<sup>nd</sup> ANNUAL GENERAL MEETING of the company to be held on  
 29<sup>th</sup> December, 2022 at 3-30 P.M.. virtually and/or at any adjournment thereof.

As witness my/our hand this ..... day of ..... 2022



(Signature of the proxy)  
 Date: .....  
 ...

**(Signature of the Shareholder)**  
 Reg. BO/Folio No. : .....  
 Date: .....

**Note:** A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly stamped and signed must be sent through e-mail to the share department of the company not later than 48 hours before the time fixed for the meeting. E-mail address of the company is “ [rfcl.rahimafood@gmail.com](mailto:rfcl.rahimafood@gmail.com) ”