Prospectus
of
Rangpur Dairy & Food Products Limited

প্রতিদিনের পুষ্টি

Issue Manager :

Alliance Financial Services Limited

"If you have any query about this document, you may consult issuer, issue manger and underwriter"

PROSPECTUS

Public offering of 16,341,400 ordinary shares of Tk 10/- at an issue price of Tk 18/- each (including premium of Tk 8/- per share) totaling of Tk. 294,145,200/-

RANGPUR DAIRY & FOOD PRODUCTS LIMITED

Opening date for subscription: **11 September 2011**
Closing date for subscription: **15 September 2011**
For Non-Resident Bangladeshi Quota, subscription closes on: **24 September 2011**

Manager to the Issue

Alliance Financial Services Limited

Rahman Chamber (3rd floor), 12-13 Motijheel C/A, Dhaka- 1000
Tel: 9515468, 9515469, Fax: 88-02-9515467, web: www.allfin.org

UNDERWRITERS
Eastern Bank Limited
Bangladesh Mutual Securities Limited
FAS Capital Management Limited

Credit Rating Agency

CREDIT RATING AGENCY OF BANGLADESH LIMITED (CRAB)	
	Long Term
Entity Rating	**A3**
Date of Rating	16 June 2010

Date of Prospectus: 24 July 2011

The issue shall be placed in "N" Category

RANGPUR DAIRY & FOOD PRODUCTS LIMITED
Head Office: 22/19 Khiljee Road, Mohammadpur, Dhaka-1207
Factory: Salaipur, Baldipukur, Rangpur – 5460
Phone: 88-02-9120975, 9115227, 9134387 Fax: 88-02-9114865, Web: www.rdmilk.org

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR"

Availability of Prospectus

Prospectus of **Rangpur Dairy & Food Products Limited** may be obtained from the Issuer Company, Issue Manager, Underwriters and the Stock Exchanges as follows:

Company	Contact Person	Telephone number
Rangpur Dairy & Food Products Limited **Head Office:** 22/19 Khiljee Road Mohammadpur, Dhaka-1207 **Factory :** Salaipur, Baldipukur, Rangpur-5460	Mr. Yeasin Arafat CFO	88-02-9120975,9115227, 9134387
Manager to the Issue Alliance Financial Services Limited Rahman Chamber (3rd Floor) 12-13 Motijheel C/A, Dhaka- 1000	Mr. Abdullah Shaleh Arafin Asst. Manager	88-02-9515468, 9515469
UNDERWRITERS		
FAS Capital Management Limited Suvastu Imam Square (4th Floor), 65 Gulshan Avenue, Gulshan, Dhaka – 1212	Mr. Md. Maniruzzaman Akan SAVP & Head of Merchant Bank	88-02-9860594,9860273
Eastern Bank Limited Jibon Bima Tower (2nd floor) 10 Dilkusha C.A Dhaka-1000	Mr. Md. Sayadur Rahman Head of Investment Banking	880-2-7120464,7118975
Bangladesh Mutual Securities Limited Shareef Mansion (7th Floor), 56-57 Motijheel C/A, Dhaka-1000	Mr. Suman Chandra Modak Assistant Vice President	880-2-7169428,9570624
STOCK EXCHANGES		
Dhaka Stock Exchange Limited 9/F, Motijheel C/A, Dhaka-1000	DSE Library	88-02-9564601-7
Chittagong Stock Exchange Limited CSE Building, 1080 Sheikh Mujib Road, Agrabad, Chittagong-4100	CSE Library	(031)714632-3 (031)720871-3

Prospectus is also available on the websites www.secbd.org, www.allfin.org, www.dsebd.org, www.csebd.com, www.rdmilk.org and Public Reference room of the Securities and Exchange Commission (SEC) for reading and study.

Name & address of the Auditor

SYFUL SHAMSUL ALAM & CO
Paramount Heights, (level-6)
65/2/1, Box Culvert Road
Purana paltan, Dhaka-1000, Bangladesgh.
Phone:+880-2-9555915,9515431
Fax +880-2-9560332

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DEFINITION AND ELABORATION OF ABBREVIATED WORDS AND TERMS USED

Term	**Description**
AGM	Annual General Meeting
Banker to the Issue	means a bank so named in the prospectus to collect money as subscription against security
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau
Commission	means the Securities and Exchange Commission (SEC);
CSE	Chittagong Stock Exchange Limited
DSE	Dhaka Stock Exchange Limited
EEF	Equity Entrepreneurship Fund
EGM	Extra Ordinary General Meeting
EPS	Earnings Per Share
Initial Public Offering	means first offering of security by an issuer to the general public
ISSUE	IPO of Shares of RD Milk
KW	Kilo Watt
RD Milk	Brand name of Rangpur Dairy & Food Products Limited
NAV	Net Asset Value
Non-Resident Bangladeshi (NRB)	means an expatriate Bangladeshi or who has dual citizenship or possesses a foreign passport bearing an endorsement from the concerned Bangladesh Embassy to the effect that no visa is required for him to travel Bangladesh
Prospectus	means any document prepared for the purpose of communicating to the general public an issuer's plan to offer for sale of its security under the Security and Exchange Commission (Public Issue) Rules, 2006
Public Issue	means public issue of security through initial public offering
R & D	Research & Development
RJSC	Registrar of Joint Stock Companies & Firms
SEC	Securities and Exchange Commission
SECURITIES	Shares of RD
SECURITIES MARKET	The Share Market of Bangladesh
UHT	Ultra High Temperature
VAT	Value Added Tax

Disclosure in respect of issuance of security in Demat Form

As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (right/bonus) will be issued in dematerialized form only.

Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969

PART–A

1. The company shall go for Initial Public Offer (IPO) for 1,63,41,400 Ordinary Shares of Tk.10.00 each at an issue price of Tk. 18.00 each including premium of Tk. 8.00 per share totaling of Tk. 29,41,45,200 (Twenty nine crore fourty one lac fourty five thousand two hundred) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.

2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 3 (Three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in "MS -Word" format.

3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.

4. The company shall submit 40 (Forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.

5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (Five) working days of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue managers within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.

7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.

9. The following declaration shall be made by the company in the prospectus, namely: -

"**Declaration about Listing of Shares with the stock exchange (s):**

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.

12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.

13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -

    (a) Total number of securities for which subscription has been received;
    (b) Amount received from the subscription; and
    (c) Amount of commission paid to the bankers to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:

    (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or

    (b) At least 50% of the IPO is not subscribed.

17. 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for

subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Taka 3,600/-** (Three thousand six hundred only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of the application money may be forfeited by the Commission.**

20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application. Otherwise the application will be considered invalid and subscription may be forfeited.**

21. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.

22. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 19 above.

    Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

    A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

23. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.

24. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.

25. All issued shares of the issuer at the time of according this consent shall be subject to a **lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

    Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

26. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with

the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.

27. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

28. The Company shall not declare any benefit other than cash dividend based on financial statement for the period ended April 30, 2010.

PART–B

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Securities and Exchange Commission.

2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with SEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.

6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).

7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to SEC and stock exchanges.

8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.

9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.

2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh

Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

GENERAL INFORMATION

Alliance Financial Services Limited has prepared the Prospectus from information supplied by Rangpur Dairy & Food Products Limited (the Issuer Company) and also after several discussions with the Chairman, Managing Director & Director, Directors and concerned executives of the Company. The Directors of both Rangpur Dairy & Food Products Limited and Alliance Financial Services Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which, would make any statement herein misleading. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information and representation must not be relied upon as having been authorized by the Company or Alliance Financial Services Limited. The Issue as contemplated in this Prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country. A copy of this Prospectus can be obtained from the Corporate Head Office of Rangpur Dairy & Food Products Limited, Alliance Financial Services Limited, the Underwriters and the Stock Exchanges where the securities will be traded.

Declarations and Due Diligence Certificates

Declaration about the responsibility of the Directors, including the CEO of the Company "Rangpur Dairy & Food Products Limited" in respect of the Prospectus

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

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well-informed decision for investment.

Sd/
Mr. S. M Fakhar UZ Zaman
Chairman

Sd/- Mr. M. A Kabir Managing Director & Director	Sd/- Mr. Shah Fahad Zaman Director
Sd/- Mr. Md. Mizanur Rahman Director	Sd/- Mr. Amitabha Bhowmik Director
Sd/- Mr. Md. Yer Ali Director	Sd/- Mr. Abdul Awal Director

Consent of the Director(s) to Serve as Director(s)

We hereby agree that we have been serving as Director(s) of "Rangpur Dairy & Food Products Limited" and continue to act as Director of the Company.

Sd/
Mr. S. M Fakhar UZ Zaman
Chairman

Sd/- Mr. M. A Kabir Managing Director & Director	Sd/- Mr. Shah Fahad Zaman Director
Sd/- Mr. Md. Mizanur Rahman Director	Sd/- Mr. Amitabha Bhowmik Director
Sd/- Mr. Md. Yer Ali Director	Sd/- Mr. Abdul Awal Director

Declaration about filling of Prospectus with the Registrar of Joint Stock Companies & Firms

As required under Section 138(1) of the Companies Act 1994, a dated and signed copy of the Prospectus has been filed for registration with the Registrar of Joint Stock Companies & Firms, Government of the Peoples' Republic of Bangladesh vide RJSC's Receipt No: DL 57807 dated 24 July 2011.

Due Diligence Certificate of Manager to the Issue

Subject: Public offer of 16,341,400 Ordinary Shares of Tk. 10/- each at an offer price of Tk. 18 /-each (including premium of Tk 8/- per share) totaling Tk. 294,145,200 of Rangpur Dairy & Food Products Limited.

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

1. We, while finalizing the draft prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors, and

2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;
(b) All the legal requirements connected with the said issue have been duly complied with; and
(c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

Sd/
Tapan K Podder
Managing Director
Alliance Financial Services Limited
06 July 2011

Due Diligence Certificate of the Underwriter(s)

Subject: Public offer of 16,341,400 Ordinary Shares of Tk. 10/- each at an offer price of Tk. 18 /-each (including premium of Tk 8/- per share) totaling Tk. 294,145,200 of Rangpur Dairy & Food Products Limited.

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

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision, and

2. On the basis of such examination and the discussions with the issuer company, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

a. All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us.

b. We shall subscribe and take up the un-subscribed securities against the above mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

c. This underwriting commitment is unequivocal and irrevocable. Breakup

For Underwriters

Sd/-
Managing Director
Bangladesh Mutual Securities Limited

Sd/-
Managing Director
FAS Capital Management Limited

Sd/ -
Managing Director & CEO
Eastern Bank Limited

RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT RISKS

An industry involves both external and internal risk factors having direct as well as indirect effects on the investments by the shareholders. Before making any investment decision, investors should take the risk factors into consideration. The assessable risk factors, both external and internal, and management's perception thereabout are enumerated below:

Interest rate risks
Interest/financial charges are paid against any kind of borrowed fund. Rising of interest rate increases the cost of fund and consequently there may have impact on profitability.

Management's Perception
The Company has borrowed funds (Short term as well as Long term) from NCC Bank Limited. The company pays interest on the said loans and debt to equity ratio for the company is 16.75% as on 30 April 2010 and the interest cover is more than 7 times during first four months of 2010. However the company has planned to repay the entire term loan from the proceeds of the proposed public issue.

Exchange rate risks
The Company imports packaging materials against payment of foreign currency. Unfavorable volatility or currency fluctuations may affect the profitability of the Company.

Management's Perception
Company is fully aware of the risks related to currency fluctuations. Costs of imported materials are small element of total cost of production and common to the whole industry.

Industry risks

Competitive market for dairy products
Dairy food industry in Bangladesh is very much competitive particularly the Dhaka market where major RD milk products are sold. The demand, supply, consumption, competitive scenario, etc. are the triggering factors for successful operation of the company.

Management's Perception
With the increased thrust and emphasis given by the Government in this sector and increasing health consciousness of public, the demand for dairy products is fast increasing. The Company therefore foresees growing demand for its products. With the proposed expansion and strengthening financial condition due to the public issue the company will be in a very strong position to be competitive.

Sourcing of raw materials
Main raw material of the company is the fresh milk which is collected through chilling centers established within Rangpur Division. Other large competitors like Aarong, Pran, Milk Vita. Akiz have also chilling centers to collect milk from the same area. The company's business is dependent upon its ability to source sufficient milk at competitive prices for its operations.

Management's perception
Since inception, the company enjoyed smooth flow of raw materials and expected to continue the same. Chairman of the company comes from Rangpur area where he has very strong network among the farmers around the chilling centers. The Company by virtue of its factory in Rangpur has firm understanding with the group/ society of independent suppliers of raw materials. Furthermore, the company has also arrangement with small local farms for sourcing milk.

Operational Risks
Disruption in supply of power at chilling centers and the factory, shortage in treated water, flawed machineries, etc. may disrupt the company's operational activities which in turn will affect the quality of milk, profitability and goodwill of the brand.

Managements Perception
The Company has adequate power backup from own fuel generator and collects required water from water treatment plant. It has all the brand new major machineries and equipment and hence there are low possibilities of such failure.

Supply Chain Risk
Products of the company are mainly distributed through supply chain. Any failure within the supply chain may have significant impact on the company's delivery of products to the customers concerned and hence may affect the profitability.

Managements Perception
Milk is brought to the nearby Chilling centers for refrigeration within 6 hours of collection of milk by the farmers. After necessary chilling it is transported to the factory for pasteurization and homogenization wherefrom the bi- products are created in line with the main products. It goes through Ultra High Temperature (UHT) and packing before storage and the delivery.

The company employs experienced workers and employees at every stages of the process to monitor closely and report to the head office for effective control. Furthermore, the company always puts constant efforts to keep the waste and failures to the lowest level while ensuring that consumers are provided with safe & quality products at a reasonable price throughout the year.

Non-operating history
Any interruption in the operations of the company affects the company's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in long run weakens the fundamentals of the company.

Management's Perception
There is no history of non operation for Rangpur Dairy & Food Products Limited.

Market & Technology related risks
Technology always plays vital role for the existence of any industrial concern. Innovation of new and cost effective technology may render the existing technology obsolete, which may cause negative impact on the performance of the Company.

Management's Perception
Company has established the plant having latest technology and state of the Art machineries from Denmark. Usually this kind of plant has 25 to 30 years of economic life.

Potential or existing Government regulations:

The Company operates under the Companies Act, taxation policy adopted by NBR and rules adopted by other relevant regulatory organizations. Any abrupt changes in the policies may leave adverse impact on the business of the Company.

Management's Perception:

Major benefit derives from exemption of VAT and income tax as dairy products except flavoured milk and candy. It is expected that government will not bring major adverse change in the relevant laws, exemptions as a priority sector for nutrition of common people. However in case of any major adverse effects it will be common for the whole industry and can be addressed.

Natural disaster may disrupt the normal operation

The major raw material is milk which is provided by our poor farmers who have no adequate safe place to protect their cows/buffalos from the natural disaster such as Flood, Cyclone, High-tide, Tsunami, etc. So it may cause an enormous damage to the milky animals and hence affect the flow of raw materials for the company.

Management's Perception

The project is located in Rangpur, a naturally dry area, and much safer than coastal places like Barisal, Khulna, Cox's Bazar, etc. However any such disaster would not involve the company alone but the industry as a whole.

Implementation of New project & Expansion/ BMRE of Factory

The company proposed to invest its IPO proceeds for implementation of expansions and develop infrastructure facilities to increase production capacity. Any new project carries some inherent risks and may not be successful or may take long time to secure desired profitability.

Management's Perception
RD started its commercial operation on 14th April, 2007 and subsequently increased its production capacity by addition of different milk based products. It is expected that the proposed expansion can be done smoothly based on experience of the sponsors in establishing similar project.

CAPITAL STRUCTURE

	Shares(No)	Amount(Taka)
Issued & fully paid up capital as on 30 April 2010	**19,715,500**	**197,155,000**
Bonus Share Issued: 29 September 2010	3,943,100	39,431,000
Ordinary share Capital prior to IPO	**23,658,600**	**236,586,000**
Proposed IPO (Initial Public Offering)	16,341,400	163,414,000
Total Capital after IPO will be	**40,000,000**	**400,000,000**

USE OF PROCEEDS

The proceeds from the proposed IPO shall be utilized for the following purpose:

Sl No.	Description	Amount Tk in Million (approx.)	Implementation Schedule
1	Expansion/BMRE of Factory	209.14	Within 7 months of getting IPO proceeds
2	Milk Tanker - 2nos	8.00	Within 7 months of getting IPO proceeds
3	Covered Van - 7 ton capacity - 3 nos	7.30	Within 7 months of getting IPO proceeds
4	WC for packaging materials	19.50	
5	Repayment of Term Loan (As of 30 April,2010)	50.20	Immediately
	Total	**294.14**	

The company did not enter into any contract for aforesaid utilization of proceeds.

Sd/-	Sd/-
Yeasin Arafat	M. A Kabir
Chief Financial Officer	Managing Director

DESCRIPTION OF BUSINESS

Corporate Status and Background

Rangpur Dairy & Food Products Limited, commonly known as **RD Milk**, was incorporated in Bangladesh on March 6, 2004 with registration no- C-52012(2307)/2004, as a Private Limited Company under The Companies Act 1994. It has started commercial operation on 14th April, 2007 by establishing its factory at Salaipur, Baldipur, Rangpur on 935 decimal land owned by the Company. The location of the factory is on the Dhaka-Rangpur Highway and 15 KM to the Rangpur Municipality. The company was established under the EEF assistance of Bangladesh Bank and project loan from NCC bank. Presently authorized capital of the Company is BDT 1,000 Million and paid up capital stands at BDT 236.586 Million. The Company introduced Aseptic Pouch Packaging for the first time in Bangladesh in manufacturing and marketing of fresh milk, flavored milk and other by-products by using UHT technology. In 2008 it introduced candy production under the same brand name. Its annual milk processing capacity is 21.90 million liters under two shifts of operation at processing stage. The brand name of the products are "RD Milk".

Nature of Business

To produce or manufacturer Ultra High Temperature or UHT Fresh milk, pasteurized and flavored milk, ghee, butter, milk candy and chocolate candy and milk products and marketing the same in the domestic market.

Major Milestones of the Company

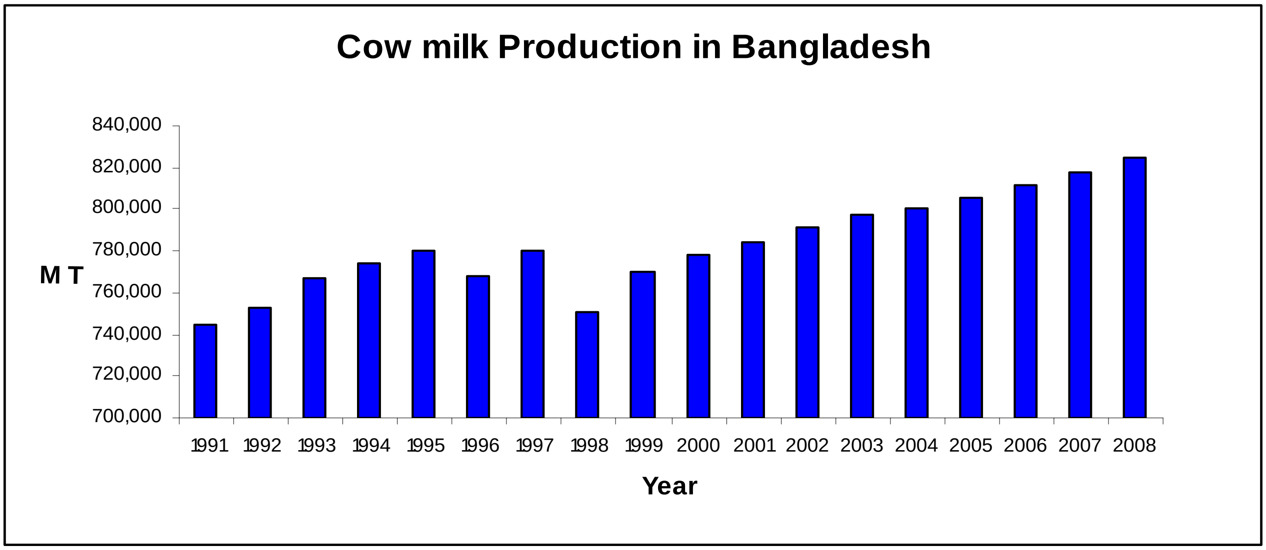
2004 : Incorporated as Private Limited Company
2005 : Approval of EEF fund
2007 : Started commercial operation with 9,500 Ltr/per day
2008-09 : Expansion of production capacity to 17,000 Ltr /day; packing capacity: 25,000 Ltr./day
2008 : Introduction of Candy production
2010 : Conversion to Public Limited company

Industry of the Dairy Milk Products

The Dairy Milk Products Industry initiated in 1946 through the set up of the first dairy plant in Sirajgonj while Milk and Dairy product marketing started in 1952 under the brand 'Milk Vita'. The industry fostered with the initiation of Milk Vita Cooperative Dairy Complex in 1973. Currently, there are about 14 large firms operating in the industry, along with many local Small operators. At present, milk products contribute to 3.1% of Agro Sector GDP and 0.5% of total GDP (2007-08). Historically Milk Products grew at a rate of 1.18% annually (from GDP at Constant Prices). In Year 2007-08, contribution from this industry to the economy was BDT 25,028 million. Cow Milk Production in Bangladesh from 1998 to 2008 are as follows:

Year	Production (MT)	Year	Production (MT)
1991	744,752	2000	778,000
1992	752,377	2001	784,000
1993	767,198	2002	791,000
1994	774,000	2003	797,000
1995	780,000	2004	800,000
1996	768,000	2005	806,000
1997	780,000	2006	812,000
1998	751,000	2007	818,000
1999	770,000	2008	825,000

Source: *http://faostat.fao.org/site/339/default.aspx (FAO)*



Principal products and services

The project introduced a range of products from local fresh milk. Products are:

UHT Fresh milk: UHT processed market milk is produced under extreme hygienic condition supported by latest processing technology to enhance the shelf life of the final product up to 3 to 6 months without cooling chain. This advance process technology has allowed the product to be marketed in sub urban or rural area where there is not enough cooling facility.

UHT Flavor milk: The plant is also processed Mango and Banana Milk adding real fruit compound from ORANA A/S , Denmark. Demands of these nutritious products are also increasing very fast.

Ghee & Laccha Shemai: The project can also produce Ghee & Laccha shemai of local taste to cater the consumer requirement of products making out of fresh milk.

Candy: Realizing the fact that Candy has a big market in the country and growing very fast, RD introduced candy items in its product line.

Project Expansion

At the inception RD had plan to increase its production capacity as well as packaging capacity in long run. At present, maximum packaging capacity is 25,000 Ltr per day, but processing capacity is 60,000 Ltr. per day. As an expansion program, RD has planned to set up 2 (two) more Aseptic Brick Packaging machine (IPI – Italy) having packing capacity of 1000ltr/hr for 200ml and 4000 ltr/hr for 1000ml with screw Cap.

Furthermore it has decided to establish 25 new Milk Chilling Centers within 100 km radius of the RD factory having capacity of 1000 /2000 Ltr each cooling tank. Accordingly, for transportation of the additional milk of 25,000- 30,000 ltr per day, RD needs to procure two (2) new Road Milk Tankers within a year.

RD product's current range is limited to 500ml and 200ml fresh UHT white milk, 200 ml Mango and Banana milk, Ghee, Butter oil, Milk candy. Demand of RD mango milk has been increasing day by day and the market looks very promising. The Value addition in RD mango milk is much higher than UHT white milk. Thus the production capacity with the addition of the two packaging machine will increase at 45,000 to 50000 Ltr per day. Once the RD factory is equipped with 200 ml and 1000 ml packaging machine, it can further diversify the products range as follows:

Mango Milk in a family pack (1000 ml),
Mango, banana, chocolate, strawberry and caramel milk in 200ml brick pack
Low fat milk in family pack will be the unique product
Laban, Lassi , Borhani with local taste can also be packed in family pack of 1000 ml

For producing Laban, Lassi & Borhani there are no new machinery required. The existing machinery can produce those products. Only working capital is required. RD processing unit is fully equipped to produce all the above products; only the product formulation is required which is readily available. RD has a target to achieve the highest degree of perfection in UHT white milk, various flavored milk and cultured milk

Additional storage area (7000 sft) will be required to store the increased number of products, additional storage area for packaging material and additional number of plastic crates for handling the UHT white milk.

UHT Milk

UHT means treatment of milk at Ultra High Temperature which is sterilizing milk at 140 to 150 Deg C for 2 to 5 seconds. By UHT treatment, the milk is fully sterilized and then aseptically packed in 5 to7 layers of packaging material (paper or poly ethylene) with barrier film. UHT treatment has no adverse effect on the nutritional value or vitamin content compared to ordinary pasteurization of milk. But it facilitates storage of UHT treated milk in ambient temperature for longer time without any effect on the quality of milk.

UHT processed milk must be packed in Aseptic packing machine, pouch or bricks. The UHT milk is packed in the packing line, which also operates under aseptic condition. The complete UHT process and Aseptic Filling machine must be operated under 100% aseptic conditions to ensure killing of 100% bacteria, spores etc and to pack the milk under 100% aseptic condition.

In the country like Bangladesh with high ambient temperature, milk being very perishable item, the pasteurized milk needs 100% cold chain starting from packing to storage, storage to distributor, distributor to retailers. If there is any increase of milk temperature more than + 4 Deg C during the storage and distribution, the quality of Pasteurized milk deteriorates instantly. As such, the scope of distribution of pasteurized milk remains within urban city and within the limited market area of the country. On the other hand, UHT milk can be distributed to any corner of Bangladesh by ordinary transport and still the quality of milk remains intact. Both the urban and rural population may get the benefit of the UHT milk which is needed for healthy growth of our young population.

The processing and packaging cost of pasteurized milk is little cheaper compared to UHT milk but the distribution cost in cold chain, storage in cold temperature and the deterioration of milk quality clearly supplements the UHT milk if the milk quantity is more than 20,000 liters per day. With greater volume of UHT milk, it is more of a good business to run compared to pasteurized milk.

Water Purification in a Dairy Plant

In the Dairy industry, water needs to be of certain standards to ensure proper hygiene and cleaning of dairy machinery. In most of the underground water, mineral contents are in greater percentage than the dairy industries requirement. Accordingly, there is necessity of treating the well water to the extent of the standard of requirement.

Before processing the milk in the dairy plant, all the machinery and pipe lines are to be cleaned with hot water of diluted alkali solution/acid solution and rinsed by hot water. In most cases, the water has to be treated for purification and then used in dairy plants to keep the hygienic standard of the process suitable for milk. If there are additional amount of salts/minerals in the water, ultimately it will go to the processed milk which will be known as contamination of good quality milk.

This treated/purified water is mainly used in the CIP solutions, hot water for rinsing dairy machinery/pipes etc and flashing of machinery after processing of milk. In the water treatment, there are such units as below:

- Standard Filter with sand, gravels etc to take out dirt, extra iron etc

- Aeration of water to allow mostly sedimentation of manganese, iron and other minerals

- Carbon filter to take out Traces of Chlorine, off flavor and colors

- Fine micro filter to take out fine foreign particles added during purifying process

In the dairy plant, it is very much standard to use 3 to 5 times water of the quantity of milk processed. As the processing capacity of milk is increased, the requirement of water will go higher. Accordingly, additional water treatment plant is required.

Ice Water Requirement

Instant Cooling of the fresh milk as well as the processed milk is very vital requirement for a dairy industry. Usually, the fresh milk needs to be cooled down to 4 degree centigrade instantly to preserve the quality and also to extend the life of the fresh milk for onward processing. So, chilled water is very much IMPORTANT factor for preservation of milk quality as well as to process the fresh milk in to various good quality dairy products.

Chilled water is produced in Ice Bank Tank (IBT) and pumped to Chillers, Pasteurizer and UHT as per individual machinery requirement. This is a regular requirement and the requirement increases with the increase of fresh milk intake or increase of production of various dairy products. In fact, IBT is the main component for higher milk production as well as for highest quality dairy products.

Market for the products or services of the Company

Main customers are the general people all over the country

Relative contribution of Products contributing more than 10% of the total revenue

The relative contribution to sales and income of each product that accounts for more than 10% of the Company's total revenue during the year ended April 2010 are mentioned below:

(As per audited accounts)

Sl. No.	Name of the products	Contribution to sales (Tk.)	% of contribution to Sales
1	UHT Full Cream fresh & flavor Milk	87,816,333	89.92
2	Ghee & Laccha shemai	8,095,092	8.29
4	Candy	1,746,480	1.79

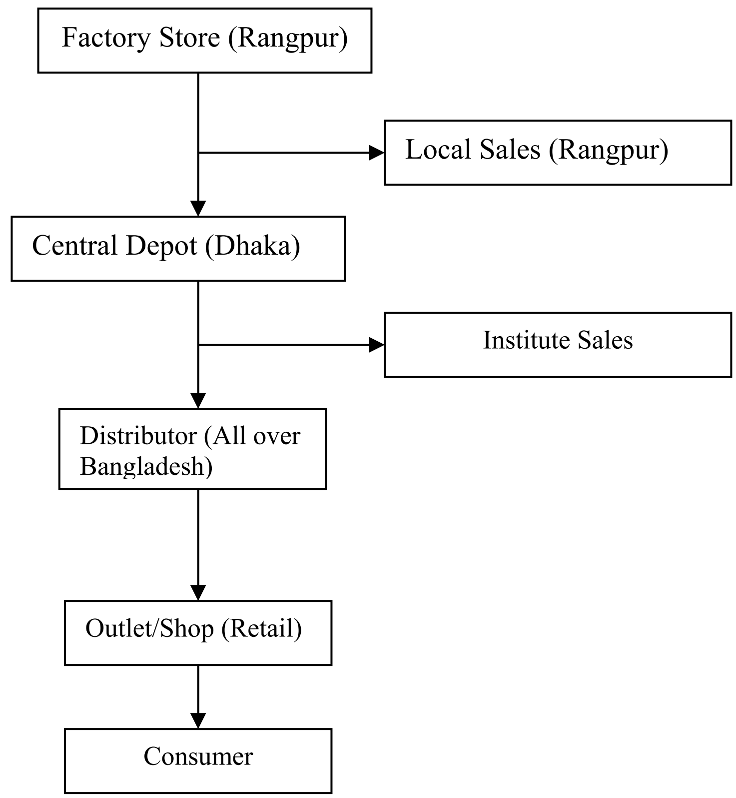
Name of associates, subsidiary/related holding company and their core areas of business

The company has no associates, subsidiary/related holding company.

Distribution of products or services

After production, all the finished products of RD are directly sent to the central depot, which is situated at Adabar, Mohammadpur, Dhaka. All the buying orders are executed from this central depot through a number of agents and distributors to reach the products to consumers' hands. Moreover, RD directly sells its product through some departmental stores like Nandan Mega Shop, Agora, PQS, Mina Bazar, Family Mart and other established shopping malls.

The flow chart of distribution network is follows:

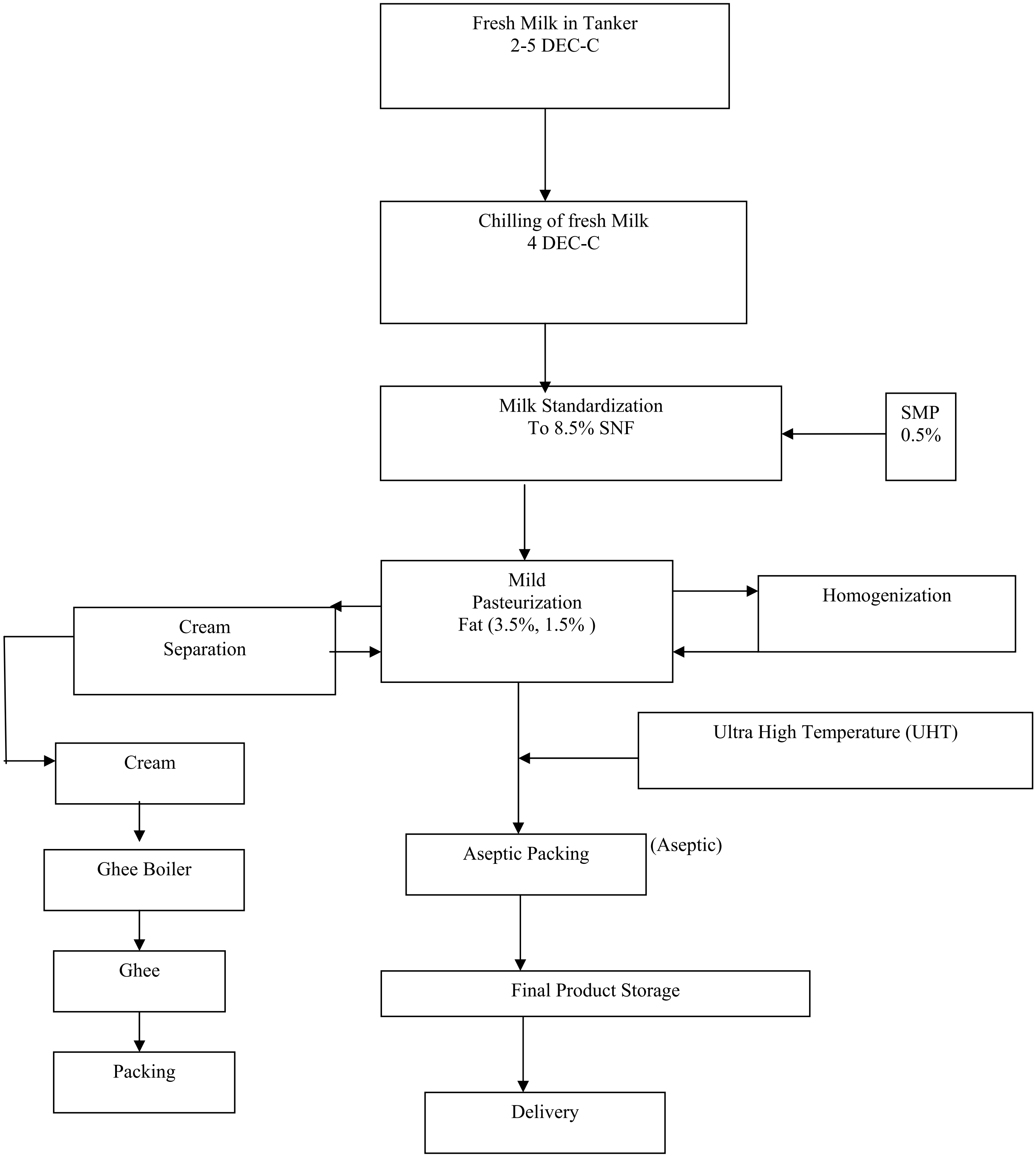


Competitive conditions in the business

The company produces or manufactures UHT, Fresh milk, flavored milk, ghee, butter, milk candy and chocolate candy. Major competitors of the Company along with their market standing are as follows:

Name of Companies	Brand
Bangladesh Milk Processing Samabah Samity Ltd.	Milk Vita
Brac Dairy & Food products	Arong Milk
Pran Dairy Ltd.	Pran Milk
Akiz Food & Beverage	Firm Fresh
Aftab Milk & Milk Products	Aftab Milk

Manufacturing Process:



Sources and availability of raw materials and the names of principal suppliers:

Initially, RD Started collecting fresh milk from the farmers at grass root level to ensure good quality milk. This was organized earlier by forming farmers group at the village level where each farmer group is to supply 100 to 120 liters of milk per day.

These farmer groups were affiliated to RD milk to commit certain quality and quantity of fresh milk every day. RD milk in their initial days, used to provide balanced cattle feed, AI Services, Veterinarian Services etc but in the long term, the farmers have become more self sustainable and gained experiences in the field of Dairy farming. Presently several NGOs, Govt. establishments etc provide those services more effectively. RD is now left with only consultancy services in those fields nearly free of cost to keep the trust on RD to supply the fresh milk at a good price.

RD presently has more organized fresh milk collection system directly from farmers. The quality control of fresh milk is in place to ensure good quality fresh milk and with the establishment of cooling centre quality of the fresh milk is well preserved. Also, RD UHT milk needs collection of the best quality fresh milk otherwise the processing would not work.

RD has the program to motivate the farmers to supply good quality fresh milk in lieu of little good milk prices. RD has now an organized group of farmers to supply every day against regular payment of reasonable prices. Bondage amongst the farmers and RD has developed a new era of trust for mutual benefit.

Name of the principal suppliers
Major raw materials suppliers were as under:

Sl. No.	Names of the Suppliers	Address	Raw Materials
1	Farmer, Dairy Firm, Chilling Centre	Local area	Raw Milk
2	Shanghi Packaging Co Ltd.	China	Poly Film
3	Top Pack Industries Ltd. MAB Packaging Industries Ltd. Zaim Printing & Packaging BBL Packging ESS Paper & Packaging MRM Printing & Packaging Black Pearl Trading House	Chandana, Joydebpur, Gazipur Saydabud, Dhaka. BKSP, Savor, Dhaka Joydebpur, Gazipur Ring Road, Symoly, Dhaka. Kazi para MIrpur Dhaka. Agargaon, Dhaka	Cartoon
4	ORANA A/S	RYNKEBYVEJ 243 DK-5350 RYNKEVY, Denmark.	Mango Compound
5	ORANA A/S	RYNKEBYVEJ 243 DK-5350 RYNKEVY, Denmark.	Banana Compound
6	Hasan Chemical & Pharmaceuticals Industries Ltd. Maritime Entreprenure Pvt. Ltd.	Armanitola, Dhaka Motijheel, Dhaka	Chemicals

Sources of requirement for Power, Gas and Water

Power:
Company has both the captive power as well as REB connections. For UHT processing captive power generation of 500 KVA and 300 KVA capacities is used to avoid interruption of power supply, while REB line is used for other processing operation. An additional diesel generator of 500 KVA will also be installed in the project to meet the expansion requirement.

Water:
Presently the project requires about 50,000 liter/day of water for usual factory cleaning/washing which is raised from underground through a Deep tube well installed in the factory premises which is adequate to meet the expansion requirement. However one more Deep Tube well will be installed as a back up to meet the emergencies.

Name of customers/dealers who purchase 10% or more of the Company's products

There is no single customer who purchases more than 10% of the company's products.

Contract with principal suppliers/customers

The company has contract with 146 customers in five major divisions of Bangladesh; namely Dhaka, Chittagong, Barishal, Sylhet, and Rangpur and a list of top 20 customers transactions for last four month (Jan-10 to April-10) is provided below:

Sl	Name	Amount (Tk.)	Sl	Name	Amount (Tk.)
1	New Look Distribution	2,000,308	11	H R Enterprise	1,675,598
2	Nasrin Traders	5,269,772	12	Winer Enterprise	1,472,630
3	S . M Enterprise	4,801,010	13	Chowdhary Enterprise	2,416,484
4	Babul Enterprise	2,018,089	14	John Enterprise	2,714,492
5	Forid Enterprise	902,050	15	Salam Enterprise	1,604,960
6	Shisir Trading	1,813,188	16	Ananda Trading/ Confectionery	1,562,046
7	Friends Traders	802,028	17	Al Damam V Store	730,103
8	Faisal Enterprise	2,131,843	18	Hazi Traders	811,639
9	Tajer Enterprise	1,011,723	19	Sajib Enterprise	994,160
10	Kazi Snakes	721,544	20	Baker and Co.	954,694

Material Patents, Trademarks, Licenses or Royalty Agreements

The Company neither obtained any Patent right/Trademarks nor signed any royalty agreement with any party.

Employees Position (As per audited accounts)

Number of full-time employees	230
Total number of employees	**230**

Production capacity and current utilization as on 30 April 2010 (As per audited accounts)

	2010	2009
Installed Capacity :	(4 months)	(12 months)
Processing Stage (Ltr.)	7,300,000	21,900,000
Packaging Stage (Ltr.)	3,000,000	9,000,000
Production (In Ltr.)	**2,044,000**	**6,197,727**
Capacity utilized (%)		
Processing Stage (Ltr.)	**28%**	**28%**
Packaging Stage (Ltr.)	**68%**	**69%**

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DESCRIPTION OF PROPERTY

A) The Company owns the following fixed assets at written down value as on 30 April 2010.

(As per audited accounts)

Name of the Assets	Written Down Value as at 30 April 2010
Land and Land Development	109,815,539
Factory Building	98,886,660
Furniture and Fixture	3,713,750
Vehicles	17,231,740
Plant and Machinery	166,549,911
Electrical Installation	13,588,884
Office Equipments	1,568,457
Factory Equipment	9,594,626
Software	290,000
Generator	3,944,192
Total	**425,183,759**

B) All the above-mentioned assets are situated at Company's factory site at Salaipur, Baldipuku, Rangpur-5460

C) All the assets of the Company are in its own name.

D) 246 decimal project land (out of 935 decimal) along with plant & machinery, factory building etc. are mortgaged with NCC Bank Limited against its project loan.

E) No re-conditioned or second-hand plant & machinery is used by the Company.

F) No property is taken under lease.

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITIONS

The sources of fund as on 30 April 2010 presented as under:

Internal and external sources of fund

(As per audited accounts)

Particulars	30 April 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
Internal sources of Fund				
Share capital	197,155,000	197,155,000	197,155,000	197,155,000
Share money Deposit	3,414,000	3,414,000	-	-
Retained Earnings	95,105,508	77,840,348	36,272,360	9,238,829
Sub-total	**295,674,508**	**278,409,348**	**233,427,360**	**206,393,829**
External sources of Fund				
Short Term Bank Loan	17,566,844	19,857,529	16,522,491	-
Long Term Loan	50,222,355	50,550,341	54,011,269	57,808,599
Sub-total	**67,789,199**	**70,407,870**	**70,533,760**	**57,808,599**
Total	**363,463,707**	**348,817,218**	**303,961,120**	**264,808,599**

Material commitments for Capital expenditures

There are no material commitments for Capital expenditures except capital expansion as mentioned in the utilization of IPO proceeds of the Prospectus.

Causes of any material changes in income, cost of goods sold, other operating expenses and net income

Particulars	30 April 2010	31 Dec 2009	31 Dec 2008	31 Dec 2007
	4 Months	12 Months	12 Months	12 Months
Sales	97,503,905	292,769,822	243,539,975	117,108,321
Less: Cost of goods sold	69,412,697	214,120,413	182,111,559	80,152,868
Gross profit	**28,091,208**	**78,649,409**	**61,428,416**	**36,955,453**
Less: Operating Expenses	8,263,838	27,392,545	24,294,691	18,495,374
Profit from operations	**19,827,370**	**51,256,864**	**37,133,725**	**18,460,079**
Less: Financial Expenses	2,629,623	10,210,899	10,174,687	9,261,282
Add: Other Income	67,413	527,023	74,493	40,033
Net profit before Tax	**17,265,160**	**41,572,988**	**27,033,531**	**9,238,829**
Provision for Tax	-	5,000	-	-
Net Profit after Tax	**17,265,160**	**41,567,988**	**27,033,531**	**9,238,829**

The management of the Company is always attempting to maximize production with cost efficiency as a result profit is also showing greater in size.

Seasonal aspect of business

Dairy food products have seasonality and it is seen that sales of fresh milk starts to get momentum one month prior to the ramadan and stays up-to the winter season. But the demand of flavored milk stays rather stable throughout the year because of its taste and nutrition.

Known trends, events or uncertainties

Known events that may affect the business operation of the company are:
1. New animal disease,
2. Natural calamity,
3. Power interruption
4. Milk processing flaws

Changes in the assets to pay off liabilities

None of the operating assets has been disposed off to pay off any liabilities of the Company.

Loans taken from or given to the holding/parent Company or subsidiary Company

The Company did neither take any loan from nor give any loan to its holding/parent company or subsidiary company during the last five years. Except working capital finance from concrete steel & co, its sister concern as disclosed in related party transaction part of the prospectus.

Future contractual liabilities

The Company has no plan to enter into any contractual liabilities within next one year other than normal course of business.

Future Capital Expenditure

The company has no plan for Future Capital Expenditure other than purchasing of capital machinery as mention in the Use of Proceeds part of the prospectus.

VAT, Income Tax, Custom Duty and other Tax Liabilities

VAT

As on 30 April 2010 the company has an outstanding VAT for an amount of Tk. 150,000 which has been paid subsequent of the accounts close.

Income Tax

As per Sec 44 (1) and Sixth Schedule, Part A Para 34 of the Income Tax Ordinance1984, the Income from business of dairy firm is exempted from tax subject to purchase of Government Bond for an amount of not less than 10% of its net profit within six months of the completion of the accounting year. As on 30 April 2010 the company has invested an amount of Tk. 3,630,000 in Government Bond. As per certificate by DCT dated: 19/09/2010 "Rangpur Dairy & Food Products Ltd is an assessee of companies circle-18, Taxes Zone-6, Dhaka. Assessment has been completed under section 82BB for the Assessment Year 2010-2011 & Taxes paid in full.

Customs Duty and other Tax Liabilities

No custom duty or similar liabilities of the Company are outstanding as on 30 April, 2010

Operating lease during last five years

The Company did not obtain any operating lease during the last five years.

Finance lease and other financial commitment during last five years

Rangpur Dairy & Food Products Limited did not have any financial lease or other financial commitments with any organization during last five years except loan from NCC bank Limited.

Personnel related Schemes

The Company believes in supporting its employees and bonuses for its continued profitability and growth.

Break down of issue expenses

Total IPO expenses are estimated as follows:

Particulars	**Basis**	**Amount in BDT**
Managers to the Issue fee	1% of public offering	2,000,000
Credit Rating fee	Lump sum	250,000
Underwriting commission (0.50%)	0.50% on 50% of IPO amount	735,363
SEC fee		
Application fee	Fixed	10,000
Consent fee	0.15% of issued capital	441,218
Fees related to Listing with the stock exchanges		
Application fee		10,000
Listing fees for stock exchanges (DSE & CSE)	0.25% on 10 crore and @ 0.15% for rest amount of Paid up Capital Range (10,000 – 20 lac)	1,400,000
CDBL fees and expenses		
Documentation fee		2,500
Initial Public Offering fee	0.00025 on Total IPO	73,536
Annual fee		100,000

Commission expenses		
Bankers to the Issue commission	0.1% on Amount Collected (Assumed 10 Times)	2,941,452
Expenses related to printing and publication		
Printing of prospectus	4,000 pcs. X Tk. 80 Per Copy	320,000
Post Issue Expenses	817,070 apps. X 9	7,353,630
Publication of abridged version of prospectus	Four national Dailies	700,000
Printing of forms	2, 00,000 pcs. X Tk. 1.5 per copy	300,000
Lottery related expenses including BUET fee	Estimated	700,000
Tax on Share Premium	**3% on premium amount**	**3,921,936**
Total		**21,259,635**

N B: *Actual costs will vary if above mentioned estimates differ and will be adjusted accordingly.*

Revaluation of Assets

The Company has made revaluation of its assets in FY 2009 which have been reflected in the financial Statements of the Company. Particulars of the valuer and summary of report are as follows:

Name of Valuer : Online Survey & Inspection Company

Qualification : Licensed Certified Surveyor, Government of Bangladesh

Work done : Major Clients are as follows:
(i) Pubali Bank Limited (ii) Dhaka Bank Limited (iii) Sadharan Bima Corporation
(iv) Republic Insurance Company Limited (v) Aramit Cement (vi) HRC Group
(vii) PHP Group (viii) Modern Fibre Industries Limited

Reason for Revaluation : The price of Land & Land Development have been increased substantially during the last few years due to high inflationary trend and increase the value of other materials. In this circumstance, the management of Rangpur Dairy & Food Products Ltd. has decided to revalue Land & Land Development of the company to have the actual present value of the assets

Itemizing Separately showing comparison

Particulars	Asset Value Before Revaluation(Tk.)	Revalued Amount(Tk.)	Revaluation Surplus(Tk.)
Land and Land Development	33,485,923	105,339,154	71,853,231
Factory Building	54,287,026	9,15,46,100	37,259,074
Total(Tk)	**87,772,949**	**196,885,254**	**109,112,305**

Transactions between holdings/subsidiary/associate Company and the issuer

Company name	Relationship	Nature of Transaction	Amount (Tk.)	Year
Concrete and Steel Technology Limited	Sister concern	Working Capital	6,714,700	2010
Concrete and Steel Technology Limited	Sister concern	Working Capital	51,784,081	2009
Concrete and Steel Technology Limited	Sister concern	Working Capital	56,644,852	2008
Concrete and Steel Technology Limited	Sister concern	Working Capital	131,647,924	2007

Auditors' certificate regarding any allotment of shares to promoters or sponsor shareholders for any consideration other than in cash

This is to certify that as per share register and other relevant records maintained by Rangpur Dairy & Food Products Limited, the company did not allot any shares for consideration other than in cash to any shareholders including its promoters and/or sponsor shareholders up to 30 September 2010 except 3,943,100 bonus share of Tk. 39,431,000/-

Sd/-

Place: Dhaka
Dated: 02 October 2010

SYFUL SHAMSUL ALAM & CO.
CHARTERED ACCOUNTANTS

Material information having an impact on the affairs of the company

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

DIRECTORS AND OFFICERS

Sl. No.	Name of the Directors	Age (Years)	Present Position	Date of first Directorship	Expiry of current term
1	Mr. S. M. Fakhar-uz-Zaman	53	Chairman	16 March 2004	**
2	Mr. M. A. Kabir	50	Managing Director & Director	16 March 2004	**
3	Mr. Shah Fahad Zaman	23	Director	19th May, 2010	**
4	Mr. Md. Mizanur Rahman	34	Director	19th May, 2010	**
5	Mr. Amitabha Bhowmik	39	Director	19th May, 2010	**
6	Mr. Md. Yer Ali	39	Director	19th May, 2010	**
7	Mr. Abdul Awal	39	Director	19th May, 2010	**

** As per Articles of Association of the company, one-third of the directors or if their number is not three or multiple of three then the number nearest to one-third shall retire from office by rotation at the Annual General Meeting.

Involvement of Directors with other Companies

Name	Company Name	Relationship
Mr. S. M. Fakhar-uz-Zaman	PowerTrade Engineering Ltd. PowerTrade Building Products Ltd. TranSwitch Engineering Ltd. Concrete & Steel Technologies Ltd. BSMC Power Systems (Bangladesh) Ltd. German-Bangla Bicycles Ltd. Plus Distribution Co. (Pvt.) Ltd. Power Trade Associates Limited Power Trade Bidisha Consortium	Managing Director Managing Director /CEO Managing Director /CEO Chairman Chairman Managing Director Director Chairman Director
Mr. M. A. Kabir	Bidisha International Ltd Energy Plus Ltd Powertrade Bidisha Consortium Concrete & Steel Technologies Ltd. BSMC Power Systems (Bangladesh) Ltd. GermanBangla Bicycles Ltd. Plus Distribution Co. (Pvt.) Ltd. Power Trade Associates Limited	Managing Director Director Director Managing Director Director Director Managing Director Managing Director
Mr. Shah Fahad Zaman	N/A	N/A
Mr. Mohammad Mizanur Rahman	Engineering & Support Services	Proprietor
Mr. Amitabha Bhowmik	Hover Construction Ltd. Seven Plus Development Ltd.	Director Director
Mr. Mohammad Yer Ali	N/A	N/A
Mr. Abdul Awal	Multi Securities & Services Ltd. Diplomat Properties Limited Source Edge Limited Bangladesh Mutual Securities Limited People's Radio Limited Icon Infotech Limited	Managing Director Chairman Managing Director Director Managing Director Managing Director

Family relationship between Directors and Officers

Name	Position	Relationship
Mr. Shah Fahad Zaman	Director	Son of Mr. S. M. Fakhar-uz-Zaman
Mr. Md. Mizanur Rahman	Director	Nephew of Mr. M. A. Kabir

Short Bio-Data of Directors

The members of the management team are qualified with successful track record in this specific project where motivation to farmers to produce milk and to organize in collecting fresh milk in good condition and capability of handling of such rural based organization is very much important.

Mr. S M Fakhar uz Zaman, Chairman

Mr. Zaman is the founder Chairman of the company. He has long business experience of 26 years through working in Power and telecom sector. Mr. Zaman graduated in 1976. He started business career in power sector. He involved in manufacturing of Transformer, HT switch gear and other accessories. Mr. Zaman established 'Transwitch Engineering Ltd" for manufacturing transformer and other sub station accessories.

Base on the telecom industries growth in Bangladesh, Mr. Zaman involved in telecom sector. In late 90's this company started manufacturing of telecom tower for Mobile Operators. This company has awarded ISO 9001:2000 certificates under Mr. Zaman's leadership.

Mr Zaman also holding the position of Managing Director of German Bangla Bicyle Ltd (GBB) , a 100% export oriented Bicycle Manufacturing Industry . GBB is a joint venture Company with 33% equity of German Company (Panther International) engaged in bicycle sector in Europe Market. GBB started its operation in late 2009 and exporting bicycle to Europe regularly as per specification of German Buyer. Mr. Zaman is over all responsible to run the GBB.

Mr. Zaman is now Chairman of Powertrade Associates Ltd. which is involved in supply, fabrication and construction. He is also Director of Plus Distribution Ltd. authorized distributor of CEAT tyre in Bangladesh. Mr.Zaman has visited Singapore, Thailand, Malaysia, Turkey, India, China, Japan, UK, Italy, German, France, Denmark, and USA for business purpose during his business carrier.

Mr. Zaman is from Mithapukur area of Rangpur where the Milk Project is being established. He is deeply involved in various social activities to help poor farmers by providing support services to the landless farmers/poor people in the form of extension works. Mr Zaman is also involved in organizing milk collection groups in his greater Rangpur area.

Engr. M A. Kabir, Managing Director

Mr. M.A Kabir is the founder Managing Director of the company. He has long experience of 22 years through working in different Executive positions both in public and private sector organizations. Mr. Kabir is a civil Engineer graduate of 1984 from BUET is also founder Director of other different companies in the area of Telecom, Consultancy, Trading, Construction and Garments of commercial repute. Mr. Kabir is presently working as the Managing Director of Powertrade Associates Ltd. which is primarily engaged in the installation of telecom infrastructure and MW tower construction for Grameen Phone, Banglalink, AKTEL, Teletalk and Citycell and successfully completed about 4000 nos. of telecom towers installation. . This has demonstrated his management capability in planning and execution of a business. He is overall in- charge and responsible to run this business.

Mr Kabir also holding the position of Director Operation of German Bangla Bicyle Ltd (GBB) , a 100% export oriented Bicycle Manufacturing Industry . GBB is a joint venture Company with 33% equity of German Company (Panther Bike) engaged in bicycle sector in Europe Market. GBB started its operation in late 2009 and exporting bicycle to Europe regularly as per specification of German Buyer.

Mr. Kabir is also Managing Director of Plus Distribution Ltd, authorized Distributor of CEAT Brand Tyre in Bangladesh. He has gathered a vast experience on Product distribution network in Bangladesh through this responsibility. Mr. Kabir has visited Singapore, Thailand, Malaysia, Turkey, India, China, Japan, UK, Italy, German, France, Denmark, USA and Canada for business purpose during his business career. Based on his previous experience and record of achievement he is very much confident to shoulder the further expansion of the Milk Project as CEO.

Mr. Amitabha Bhowmik, Director

Mr. Bhowmik is the Director of Rangpur Dairy & Food Products Limited. He has completed his M.com in accounting from Dhaka University and MBA in finance. He is a Director of Hover Construction Ltd. which is now working with water development Board. He is also Director of Seven Plus Development Ltd., tree plantation is the core business of this organization.

Mr. Md. Yer Ali, Director

Mr. Ali is a man of wisdom and energetic businessman with active participation in the management of Rangpur Dairy & Food Products Limited. He has completed Masters of Business Studies (MBS) in Finance & Banking from Rajshahi University. He worked for First Lease International, Limited, a public traded company and financial institution, since 1997 and left the company as Vice President. He is involved with Agro based industry. He is the founder of Afzal uddin High School and Vocational Institute, Secretary of Jamirbari Etimkhana in Kaligonj, Lalmonirhat and Executive Director of SL mission School in Dhaka.

Mr. Shah Fahad Zaman , Director

Shah Fahad Zaman , son of S.M. Fakhar-Uz-Zaman was born in the year of November 09, 1987. He is doing his graduation from North South University, Dhaka. Now he is a final year student of this University.

Mr. Md. Mizanur Rahman, Director

Md. Mizanur Rahman is the founder Engineering and support Services (ESS). He has long Experience of 10 years through working in different Executive positions in private sector organizations. He completed Masters in social science. ESS is primarily engaged in construction field. The company has successfully completed about 1000 nos. of BTS for AKTEL, GP and Teletalk in last 5 years. This has demonstrated his management capability in planning and execution of a business.
Based on his previous experience and record of achievement he is very much confident to shoulder the further expansion of the Milk Project as director.

Mr. Abdul Awal, Director

Abdul Awal was born in the year 1971**.** He obtained his MBA degree in Accounting from Dhaka University. He is well-qualified and experienced business personality. He has involved capital market since 1996 in various senior positions. Currently he involved as a Managing Director of Multi Securities and Services Limited. He is also an active member of various committees/ subcommittees of DSE.

Credit Information Bureau (CIB) report

Neither the company nor any of its directors or shareholders who holds 5% or more shares in the Paid in Capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

DESCRIPTION OF SENIOR EXECUTIVES AND OFFICERS

Sl. No.	Name	Designation	Educational Qualification	Date of Joining	Experience
1	Mr. M. A. Kabir	Managing Director & Director	Bachelor in Civil Engineering, BUET,1984	16-March-2004	22 Years
2	Engr. Mohd. Shamsul Hoque	GM (Factory)	M.S in Food Tech.	7-Jul-09	16 Years
3	Mr. Yeasin Arafat	CFO	M. Com (Accounting)	12-Apr-08	4 Years
4.	Mr. Md. Liakat Hossain	Manager (Sales & Marketing)	B. Com (Hon's)	12-Feb-07	10 Years
5	Mr. Apuba Kumar Sardder	Manager (IT)	B. Sc Engr	1-Jan-08	3 Years
6	Mr. G. H. M. Jahangir Alam	Manager (Admin)	B.A	15-Dec-04	27 Years
7	Mr. Md. Monjurul Kadir	Asstt. Manager (Production)	Diploma in Power Technology	15-Feb-06	10 Years
8	Mr. Md. Mahabub Alam	Depot In-charge	B.A	17-Aug-09	12 Years

INVOLVEMENT OF OFFICERS AND DIRECTORS IN CERTAIN LEGAL PROCEEDINGS

No Director or Officer of the Company was involved in any of the following types of legal proceedings in the past ten years:

- Any bankruptcy petition filed by or against any Company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
- Any conviction of any director or officer in criminal proceedings or any criminal proceedings pending against him;
- Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

- Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following persons:

- Any director or executive officer of the issuer
- Any director or officer
- Any person owning 5% or more of the outstanding shares of the issuer
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons
- Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding Company or associate concerns, or who was a director or connected in any way with a director at any time.
- Any loan either taken or given from or to any directors or any person connected with the directors, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan during the last three years prior to the issuance of the prospectus.

Except the transactions shown under 'related party transaction' in note 3.15 of audited accounts as on 30 April 2010 and director's facilities shown hereunder

Related Party Transactions

Name of the Party	Relationship	Nature of Transaction	Transaction Volume (in Taka)	Balance Outstanding (in Taka)
Concrete & Steel Technologies Ltd.	Sister Concern	Providing Working Capital Finance	6,714,700	47,469,188

Directors Facilities

The Directors of Rangpur Dairy & Food Products Limited does not enjoy facilities other than salary received by two Directors, which are as under:

Sl. No.	Name of the sponsors/ promoters	Designation	01/01/2010 to 30/04/2010 Amount (Tk.)
1	Mr. S.M.Fakharuzaman	Chairman	200,000
2	Mr. M.A.Kabir	Managing Director & Director	200,000

EXECUTIVE COMPENSATION

Sl. No.	Name	Designation	Location	01.01.2010 to 30.04.2010 Tk.
1	Mr. M. A. Kabir	Managing Director & Director	Head Office	200,000
2	Engr. Mohd. Shamsul Hoque	GM	Factory	160,000
3	Mr. Yeasin Arafat	CFO	Head Office	100,000
4	Mr. Md. Liakat Hossain	Manager (Sales & Marketing)	Head Office	80,000
5	Mr. Apuba Kumar Sarder	Manager (IT)	Head Office	72,000

Aggregate amount of remuneration paid to all Directors & Officers as a group during last accounting year:

Sl. No.	Particulars	Remuneration & Salary	
		January 10 to April 10	January 09 to December 09
1	Directors	400,000	Nil
2	Officers & Staff	4,654,420	18,443,458

Remuneration paid to any Director who was not an officer during the last fiscal year

All the two Directors shown under "Director Facilities" were given remuneration for performing extra services for the company since January 2010.

Any contract with any Officer or Director providing for payment of future compensation

The Company has no contract with any director/officer for providing the payment of future compensation.

Company's plan to increase substantially remuneration to Officers & Directors during the current year

The Company does not have any plan to substantially increase remuneration to Officers/Directors except usual increase in salaries & allowances and in line with the performance achieved by individuals.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company has no option plans for Directors, Officers or Employees or other employees of the Company.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- The Directors and subscribers to the memorandum have not received any benefits except remuneration received by two directors, directly or indirectly during the last five years. The issuer also has not received any assets, services or other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.
- No assets were acquired from the subscribers to the memorandum.

TANGIBLE ASSETS PER SHARE

(As per audited accounts as on April 30 2010)

Particulars	**Amount (Tk.)**
Share capital	197,155,000
Share money Deposit	3,414,000
Revaluation Reserve	109,112,305
Retained Earnings	95,105,508
Net Assets	**404,786,813**
Number of Shares	19,715,500
Net Tangible Asset Value Per Share	**20.53**

OWNERSHIP OF COMPANY'S SECURITIES

The Company's shareholding position as on 29 September 2010 is as follows: (As per RJSC)

Sl. No.	Names	Addresses of Shareholders	Position	Number of Shares	Percentage (%)
1	Mr. S.M.Fakharuzaman	House # 8/A-12/KA, Road #14 (New), Flat # AI, Dhanmondi R/A. Dhaka-1209	Chairman	4,303,920	18.19%
2	Mr. M.A.Kabir	House # 8/A-12/KA, Road #14 (New), Flat # A2, Dhanmondi R/A. Dhaka-1209	Managing Director & Director	4,303,920	18.19%
3	Mr. Shah Fahad Zaman	House # 14, Road # 25, Sector – 07, Uttara Model Town, Dhaka	Director	360,000	1.52%
4	Md. Mijanur Rahman	23, Adarsha Chayaneer Housing Society, Ring Road, Shamoly, Dhaka	Director	660,000	2.79%
5	Amitabha Bhowmik	6/3, Kathal Baga, Dhaka	Director	120,000	0.51%
6	Md. Yer Ali	41/22/B, G. F. Hazi Afsar Uddin Lane, Zigatola, Dhaka	Director	120,000	0.51%
7	Abdul Awal	Flat # 4B, Sheltech Niharika, 7, Siddeswari Road, Dhaka	Director	360,000	1.52%
8	Ms. Sultana Pervin	House # 14, Road # 25, Sector # 7, Uttara, Dhaka	Shareholder	500,760	2.12%
9	Mollika Devi	Flat # C-4, Costa Rosita, 18/6, Tallabagh, Sobhanbagh, Dhaka	Shareholder	120,000	0.51%
10	Nitu Paul	CTL-5, Century Tower Complex, 119/1, Outer Circular Road, Bara Mogh Bazqr, Dhaka,	Shareholder	600,000	2.54%
11	Milon H. Rahman	Mayfair, House # 1A, Road # 123, Gulshan-1, Dhaka	Shareholder	120,000	0.51%
12	Shishir Kumar Basak	138/1, Nabab Road, Kajolshah, Sylhet	Shareholder	1,140,000	4.82%
13	Sharbani Basak	-Do-	Shareholder	1,140,000	4.82%
14	Chitta Ranjan Sarkar	F-21,Masterpara, Rajshahi,	Shareholder	120,000	0.51%
15	Alia Mahmuda	House # 8/A-12/Ka, Road # 14 (New), Flat # A-1, Dhanmondi, Dhaka	Shareholder	1,080,000	4.56%
16	Bijon Kumar Roy	Awal Premio, F-1, House # 23, Road # 9/A, Dhanmondi R/A, Dhaka	Shareholder	480,000	2.03%
17	Goutam Moni Das	-DO-	Shareholder	180,000	0.76%
18	Kakoli Roy	-DO-	Shareholder	180,000	0.76%
19	Bindu Dhar	47,FareshgonjRoad, Dhaka	Shareholder	600,000	2.54%
20	Mousumi Chattapadhay	House # 45, lane Drive Road, Sector # 7, Uttara, Dhaka	Shareholder	600,000	2.54%
21	Madhabi Rani Das	BAIG Regency, Apt.-C/2, House # 10, Road # 39, Gulshan (CWN) C, Dhaka	Shareholder	600,000	2.54%
22	Sumesh Chandra Saha	Shaptak Godhuly, Apt. C/6, House # 4/2, Block # C, Lalmatia, Dhaka	Shareholder	600,000	2.54%
23	Shekhar Ranjan Kar	BSRM Steels Limited, Ali Mansion, Sadarghat Road, Chittagong	Shareholder	180,000	0.76%

24	Apuraba Kumar Das	47, Farashgonj Road, Dhaka	Shareholder	180,000	0.76%
25	Shah Shafin Zaman	House # 8/A,-12/Ka, Road # 14 (New), Flat # A1, Dhanmondi R/A, Dhaka	Shareholder	360,000	1.52%
26	Neli Sen Gupta	6/3, Kathal Bagan, Dhaka	Shareholder	480,000	2.03%
27	Md. Sazedul Islam	41/22/B, G.F. Hazi Afsar Uddin Lane, Zigatola, Dhaka	Shareholder	195,000	0.82%
28	Prasanta Kumar Saha	House # 1, Road # 4, Old DOHS, Banani, Dhaka	Shareholder	240,000	1.01%
29	Hasibul Huda	House # 59, Road # 15/A, Flat # B-5, Dhanmondi, Dhaka	Shareholder	360,000	1.52%
30	Rumana Kabir	House # 8/A-12/Ka, Road # 14(New), Flat # A-2, Dhanmondi, Dhaka	Shareholder	780,000	3.30%
31	Neelanjana Chwodhury	House # 50, Road # 5, Dhanmondi R/A, Dhaka	Shareholder	150,000	0.63%
32	Indrani Sen	6/3, Kathal Baga, Dhaka	Shareholder	240,000	1.01%
33	Md. Giash Uddin Miazee	51/Z, Zikatola (3rd Floor) Hazi Abdur Rahman Lane, Zigatola, Dhaka	Shareholder	45,000	0.19%
34	Gita Saha	House # 1, Road # 4, Old DOHS, Banani, Dhaka	Shareholder	1,080,000	4.56%
35	Bhakta Kumar Saha	House # 1, Road # 4, Old DOHS, Banani, Dhaka	Shareholder	1,080,000	4.56%
Total				**23,658,600**	**100.00%**

Shareholding structure for 5% or more as on 30 September 2010

Sl. No.	Names	Address of Shareholders	Position	Number of Shares	Percentage (%)
1	Mr. S.M.Fakharuzaman	House # 8/A-12/KA, Flat # AI, Road #14 , Dhanmondi R/A. Dhaka-1209	Chairman	4,303,920	18.19%
2	Mr. M.A.Kabir	House # 8/A-12/KA, Flat # A2, Road #14, Dhanmondi R/A. Dhaka-1209	Managing Director & Director	4,303,920	18.19%

Securities owned by the officers

No officer except Mr. M. A. Kabir, Managing Director owns shares of the company as on 29 September 2010

DETERMINATION OF OFFERING PRICE

Particulars	Amount (Tk.)
Method 1: Net Asset Value (NAV) per share	16.97
Method 2: Historical Earnings based value per share	20.59
Method 3: Valuation with reference to average market price of similar stocks (P/E)	35.16
Method 4: Valuation with reference to average market price of similar stocks (P/BV)	116.24

The management of Rangpur Dairy and Food Products Limited believes that the issue price of Tk.18/- is justified.

Additional Justifications to the offer price

(a) Based on the weighted average EPS (Tk. 1.2634) of last three years from 2007 to April 2010, P/E stands at 14.25 which is much lower than that of any of its peer class mentioned in the prospectus.

(b) At the offer price P/E stands lower than the current P/E of DSE (16.30 in May 2011).

Calculations of Methodologies

Method 1: Share price on Net Asset Value (NAV)

Net Asset Value method is based on the historical information taken from the latest audited financial statements as on 30 April 2010. Value under this method is simply derived by dividing the "net assets at the period end" by the number of outstanding shares before IPO.

Particulars	April 30, 2010 Taka
Shareholders' fund	197,155,000
Revaluation Reserve	109,112,305
Retained Earnings	95,105,508
Net Assets as at 30 April 2010	**401,372,813**
No of ordinary Shares before IPO	23,658,600
Net Assets Value per share (Tk.)	**16.97**

Method 2: Historical Earnings based value

The Second method is the Earnings based Value which is also based on historical information sourced from previous audited financial statements and statistics from Dhaka Stock Exchange Limited. The value was calculated by taking weighted average net profit after tax for last 36 months since commercial operation as per audited accounts and multiples with DSE's May 2011 P/E ratio. To represent recent market scenario as well as conservative pricing we have taken DSE P/E ratio for May 2011 . Data for the last 36 months was taken as the company is in commercial operation since 14 April 2007.

The weighted average Earnings per share for the last 36 months stands at Tk. 1.2634 and the DSE PE of May 2011 was 16.30

Set out below the calculation of historical average Earnings per Share (EPS) as well as offer price based on such average:

Period	Net Profit After Tax (Tk.)	Weight	Weighted Average Profit
April, 2010 (4 months)	17,265,160	18%	3,107,729
2009	41,567,988	44%	18,289,915
2008	27,033,531	28%	7,569,389
2007 (8 months)	9,238,830	10%	923,883
Total	**95,105,509**	**100%**	**29,890,915**
No of share before IPO			23,658,600
Weighted Average EPS	(29,890,915 / 23,658,600)		**1.2634**
DSE over all PE on May, 2011			16.30
Earning Based Value	**(1.2634 X 16.30)**		**20.59**

Methods 3 & 4: Valuation with reference to average market price of similar stocks

Both the methods are based on reference of market price of similar stocks.
P/E multiple has been used in the third method while P/BV is used in the forth method, both of which are shown below in the same table. No dairy company could be taken in absence of any such listed company in stock exchanges. We have taken four out of fifteen listed companies in the Food sector as on May 2011 having lowest PE and having positive EPS as well as NAV. (except Beach Hatchery Ltd.)

Furthermore the following assumptions were taken to find out the representative P/E and P/BV for share valuation of Rangpur Dairy and Food Products Limited:

1. We have analyzed the PE and P/BV multiples of the companies listed with Dhaka stock exchange only.
2. In order to remove the impact of regular price variations we have considered twelve months average price of the comparables in determination of their P/E multiples covering a period from June 2010 to May 2011.

Average P/E ratio as well as P/BV ratio for the similar stocks is determined as under:

i	ii	iii	iv = (ii / iii)	v	vi = (ii /v)
Company Name	**12 Month Avg. Price (June, 2010 to May, 2011) Tk.**	**EPS as on May 2011**	**P/E Ratio (Avg. price/EPS)**	**NAV as on May 2011**	**P/BV Ratio (Avg. price/NAV)**
National tea	5018.96	156.78	32.01	502.87	9.98
AMCL (Pran)	1696.90	54.49	31.14	475.10	3.57
Fine Food	85.63	2.49	34.39	11.41	7.51
BATBC	660.48	47.98	13.77	104.01	6.35
Average			**27.83**		**6.85**

Method 3: Value based on average P/E ratio (Weighted average EPS before IPO X Average P/E ratio of similar company) or (1.2634 X 27.83) **35.16**

Method 4: Value based on average P/BV ratio (NAV before IPO X Average P/BV ratio of similar company) or (16.97 X 6.85) **116.24**

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to the following two Stock Exchanges within 7 (seven) working days from the date of consent accorded by the SEC to issue the prospectus:

Dhaka Stock Exchange Limited 9/F, Motijheel C/A, Dhaka-1000	and	Chittagong Stock Exchange Limited CSE Buildng, 1080 Sk. Mujib Road Agrabad, Chittagong-4100

Declaration about listing of shares with the stock exchange(s)

None of the stock exchanges(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively as well as separately liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time allowed for refund of the subscription money.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, voting, pre-emption rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the SEC from time to time.

Conversion and liquidation rights

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

Dividend policy

(a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

(b) No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.

(c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.

(d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.

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

(f) No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

Other rights of stockholders

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as par law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

DEBT SECURITIES

There is no debt securities issued or plan to issue by the company within 6 (six) months.

LOCK-IN ON SPONSORS' SHARES

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock in status of the shareholders of Rangpur Dairy & Food Products Limited:

Sl. No.	Names	Position	Number of Shares	Percentage (%)	Date of Acquisition	Expiration of Lock in Period
1	Mr. S.M.Fakharuzaman	Chairman	4,303,920	18.19%	16.03.2004	23.07.2014
2	Mr. M.A.Kabir	MD & Director	4,303,920	18.19%	16.03.2004	23.07.2014
3	Mr. Shah Fahad zaman	Director	360,000	1.52%	19.05.2010	23.07.2014
4	Md. Mijanur Rahman	Director	660,000	2.79%	19.05.2010	23.07.2014
5	Amitabha Bhowmik	Director	120,000	0.51%	19.05.2010	23.07.2014
6	Md. Yer Ali	Director	120,000	0.51%	19.05.2010	23.07.2014
7	Abdul Awal	Director	360,000	1.52%	19.05.2010	23.07.2014
8	Ms. Sultana Pervin	Shareholder	500,760	2.12%	19.05.2010	23.07.2012

Sl. No.	Names	Position	Number of Shares	Percentage (%)	Date of Acquisition	Expiration of Lock in Period
9	Mollika Devi	Shareholder	120,000	0.51%	19.05.2010	23.07.2012
10	Nitu Paul	Shareholder	600,000	2.54%	19.05.2010	23.07.2012
11	Milon H. Rahman	Shareholder	120,000	0.51%	19.05.2010	23.07.2012
12	Shishir Kumar Basak	Shareholder	1,140,000	4.82%	19.05.2010	23.07.2012
13	Sharbani Basak	Shareholder	1,140,000	4.82%	19.05.2010	23.07.2012
14	Chitta Ranjan Sarkar	Shareholder	120,000	0.51%	19.05.2010	23.07.2012
15	Alia Mahmuda	Shareholder	1,080,000	4.56%	19.05.2010	23.07.2012
16	Bijon Kumar Roy	Shareholder	480,000	2.03%	19.05.2010	23.07.2012
17	Goutam Moni Das	Shareholder	180,000	0.76%	19.05.2010	23.07.2012
18	Kakoli Roy	Shareholder	180,000	0.76%	19.05.2010	23.07.2012
19	Bindu Dhar	Shareholder	600,000	2.54%	19.05.2010	23.07.2012
20	Mousumi Chattapadhay	Shareholder	600,000	2.54%	19.05.2010	23.07.2012
21	Madhabi Rani Das	Shareholder	600,000	2.54%	19.05.2010	23.07.2012
22	Sumesh Chandra Saha	Shareholder	600,000	2.54%	19.05.2010	23.07.2012
23	Shekhar Ranjan Kar	Shareholder	180,000	0.76%	19.05.2010	23.07.2012
24	Apuraba Kumar Das	Shareholder	180,000	0.76%	19.05.2010	23.07.2012
25	Shah Shafin Zaman	Shareholder	360,000	1.52%	19.05.2010	23.07.2012
26	Neli Sen Gupta	Shareholder	480,000	2.03%	19.05.2010	23.07.2012
27	Md. Sazedul Islam	Shareholder	195,000	0.82%	19.05.2010	23.07.2012
28	Prasanta Kumar Saha	Shareholder	240,000	1.01%	19.05.2010	23.07.2012
29	Hasibul Huda	Shareholder	360,000	1.52%	19.05.2010	23.07.2012
30	Rumana Kabir	Shareholder	780,000	3.30%	19.05.2010	23.07.2012
31	Neelanjana Chwodhury	Shareholder	150,000	0.63%	19.05.2010	23.07.2012
32	Indrani Sen	Shareholder	240,000	1.01%	19.05.2010	23.07.2012
33	Md. Giash Uddin Miazee	Shareholder	45,000	0.19%	19.05.2010	23.07.2012
34	Gita Saha	Shareholder	1,080,000	4.56%	19.05.2010	23.07.2012
35	Bhakta Kumar Saha	Shareholder	1,080,000	4.56%	19.05.2010	23.07.2012
	Total		**23,658,600**	**100.00%**		

REFUND OF SUBSCRIPTION MONEY

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

1. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned above under "Refund of Subscription Money", refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

AVAILABILITY OF SECURITIES

The Offer

1. IPO will be for 16,341,400 shares @ TK. 18 each (including premium of Tk 8/- per share) totaling Tk. 294,145,200/- as per the Securities and Exchange Commission (Public Issue) Rules, 2006, 10% of total public offering shall be reserved for nonresident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the commission and remaining 80% shall be open for subscription by the general public. The position is thus as follows:

Particulars	No. of Shares	Amount (Tk.)
A. 10% of IPO of Shares shall be reserved for Non Resident Bangladeshis	1,634,140	16,341,400
B. 10% of IPO of Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	1,634,140	16,341,400
C. Remaining 80% of IPO of Shares shall be opened for subscription by The General Public.	13,073,120	130,731,200
Total	**16,341,400**	**163,414,000**

2. All securities as stated in sub–rule 1(A), 1(B) and 1(C) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in sub–rule 1(A), 1(B) and 1(C), the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.

4. In case of under subscription under any of the 10% categories mentioned in sub–rule 1(A), 1(B)), the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue managers shall jointly conduct an open lottery of all the applicants added together.

5. In case of under subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriters.

6. The lottery as stated in clause –3 and 4 shall be conducted in presence of representatives from the issuer, the Stock Exchanges, and the applicants, if there be any.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5 (five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allotees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

Application for subscription

1. Application for Shares shall be made for a minimum lot for **200** Ordinary Shares to the value of **Tk. 18/-** and should be made on the RD's Printed Application forms. Application Forms and Prospectus may be obtained from the Chittagong Office of the Company, members of the Dhaka Stock Exchange Ltd. and/or Chittagong Stock Exchange Limited or from the bankers to the Issue. In case adequate forms are not available, applicants may use photocopied / cyclostyled / hand written/typed copies of the forms. Applications must not be for less than **200** Ordinary Shares. Any application not meeting this criterion will not be considered for allotment purpose.

2. Joint application form for more than two persons will not be accepted. In the case of joint application each party must sign the application form.

3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association of that company.

4. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**

5. Bangladeshi Nationals (including non-resident Bangladeshi Nationals residing abroad) and Foreign Nationals shall be entitled to apply for Shares.

6. Payment for subscription by investors other than Non -Resident Bangladeshi may be made to the said branches/offices of the banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque/Pay Order/Bank Draft shall be made payable to the bank to which it is sent and be marked **"Rangpur Dairy & Food Products Limited."** and shall bear the crossing **"A/C Payee Only"** and must be drawn on a bank in the same town of the bank to which application form is deposited.

7. All completed application forms, together with remittances for the full amount payable on application, shall be lodged by investors other than non-resident Bangladeshis with any of the branches of the Bankers' to the Issue.

8. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

   The value of securities applied for may be paid in Taka, US Dollar or Euro or UK Pound Sterling at the Spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over-subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to Rangpur Dairy & Food Products Limited at its corporate office. Copies of application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, U.A.E., Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and website of the SEC, Issuer Company, Issue manager, DSE and CSE.

9. The IPO subscription money collected from investors (other than Non-resident Bangladeshis) by the Bankers' to the Issue will be deposited to account no 002-0315000047 with NCC Bank Limited, Motijheel Main Branch opened by **Rangpur Dairy & Food Products Limited** for this purpose.

10. The subscription money collected from Non-resident Bangladeshis in US Dollar or UK Pound Sterling or EURO shall be deposited to the following FC accounts:

Sl No.	Name of the FC Accounts	Account No.	Bank & Branch	Currency
1	**Rangpur Dairy & Food Products Limited**	601	NCC Bank Limited Motijheel Main Branch	US Dollar
2	-do-	21	-do-	GBP
3	-do-	46	-do-	EURO

11. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Rangpur Dairy & Food Products Limited out of the "FC Account for IPO". Rangpur Dairy & Food Products Limited has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription, if any.

12. Applications not in conformity with the above requirements and the instructions printed on the applicant form are liable to be rejected.

Underwriting of Shares

Initial public Offering (IPO) is for 16,341,400 ordinary shares of Tk 10./- each at an issue price of Tk.18/- each including premium of Tk.8/- per share totaling of Tk.294,145,200/-. As per SEC's Guideline 50% of the said amount i.e 8,170,700 ordinary shares of Tk. 18/- each amounting to Tk. 147,072,600/- has been underwritten by following institutions:

Sl. No.	Name and Address of underwriters	Number of Lots underwritten	Issue Price Amount(TK.)
1	**FAS Capital Management Limited** Suvastu Imam Square (4th Floor), 65 Gulshan Avenue, Gulshan, Dhaka – 1212	4,000,000	72,000,000
2	**Eastern Bank Limited** Jibon Bima Tower (2nd floor) 10 Dilkusha C.A, Dhaka-1000	2,000,000	36,000,000
3	**Bangladesh Mutual Securities Limited** Shareef Mansion (7th Floor), 56-57 Motijheel C/A Dhaka-1000	2,170,700	39,072,600
	Total	**8,170,700**	**147,072,600**

Principal terms and conditions of underwriting agreement

1. If and to the extent that the Shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of

subscription call upon the underwriter in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for the Shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed Shares within 15(fifteen) days of the date of said notice and the said amount shall have to be credited into Shares subscription account within the said period.

2. If payment is made by Cheque/Bank Draft by an underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under the Agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after the expiry of the aforesaid 15(fifteen) days, the Company shall send proof of subscription and payment by the underwriter to the Commission.
4. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said Underwriter will not be eligible to underwrite any issue, until such time as he fulfils his underwriting commitment under the Agreement and also other penalties as may be determined by the Commission may be imposed on him.
5. In case of failure by any underwriter to pay for the Shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under the Agreement.
6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Securities and Exchange Commission under the law as may be imposed on them.

Underwriter's right to represent in the Board of Directors of the Company

The Underwriters shall not have any right to have any representatives in the Company's Board of Directors.

Commission for Underwriters

The Company shall pay to the underwriters an underwriting commission at the rate of 0.5% of whole Public Offering amount (i.e Tk.735,363) of the issue value of shares.

Right of Underwriters on Company's Board

Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company.

Officer or director of the underwriters acting as director of the company

No officer or director of the underwriters acting as director of the company.

THE ISSUE SHALL BE PLACED IN "N'' CATEGORY

MATERIAL CONTRACTS

1 Underwriting Agreement between the Company and the Underwriters.
2 Issue Management Agreement between the Company and Alliance Financial Services Limited (AFSL)

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

MANAGER TO THE ISSUE

Alliance Financial Services Limited, Rahman Chamber (3rd Floor) 12-13 Motijheel C/A, Dhaka-1000 is the Manager to the Issue. The Issue Manager will get Tk. 2,000,000/-as issue management fee.

COMMISSION TO THE BANKER TO THE ISSUE

Commission at the rate of 0.1% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

CORPORATE DIRECTORY

Registered Office	**Rangpur Dairy & Food Products Limited** Head Office: 22/19 Khiljee Road, Mohammadpur, Dhaka-1207 Tell: 88-02-9120975,9115227, 9134387 Fax: 88-02-9114865, Web: www.rdmilk.org Factory: Salaipur, Baldipukul, Rangpur – 5460
Auditors	**Syful Shamsul Alam & Co** Paramount Heights, (level-6) 65/2/1, Box Culvert Road Purana paltan, Dhaka-1000, Bangladesgh. Phone:+880-2-9555915,9515431 Fax +880-2-9560332
Manager to the Issue	**Alliance Financial Services Limited** Rahman Chamber (3rd floor), 12-13 Motijheel C/A, Dhaka- 1000 Tel: 9515468, 9515469, Fax: 88-02-9515467, web: www.allfin.org
Underwriters	▪ FAS Capital Management Limited ▪ Eastern Bank Limited ▪ Bangladesh Mutual Securities Limited
Credit Rating	**Credit Rating Agency of Bangladesh** Sena Kalyan Bhaban 195 Mitijheel C/A (Floor # 4) Suite # 403, Dhaka- 1000 Tel: 9571238, 9571497 Fax: 9563837, www. crab.com.bd
Lead Bank	**NCC Bank Limited** 7-8 Motijheel Commercial Area Dhaka-1000, Ph: 9561902-4 Fax: 88-02-9566290
Bankers to the Issue	▪ Eastern Bank Limited ▪ ICB ▪ NCC Bank Limited ▪ One Bank Limited ▪ Trust Bank Limited ▪ Dhaka Bank Limited ▪ Bank Asia Limited

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF RANGPUR DAIRY & FOOD PRODUCTS LTD.

We have audited the ac-companying Balance Sheet of RANGPUR DAIRY & FOOD PRODUCRS LTD. as of 30 April 2010 and the related Income Statement, cash Flow Statement' statement of changes in Equity and Notes to the Financial statements for the period then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

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

In our opinion, the financial statements of the company along with the notes thereon, prepared in accordance with Bangladesh accounting- standards (BAS), and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the state of the company's affairs as of 30 April 2010 and of the results of its operations and cash flows for the period then ended. and comply with applicable sections of the Companies Act, 1994 and other applicable laws and regulations.

We report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(b) in our opinion, proper books of account as required by law have been kept by it appeared from our examination of those books;

(c) the company's balance sheet and income statement dealt with by the report are in agreement with the books of account.

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

Place: Dhaka
Date: 13 July 2010

RANGPUR DAIRY & FOOD PRODUCTS LTD.
Balance Sheet
as at 30 April 2010

	Notes	30-Apr-10 Taka	31-Dec-09 Taka
Non-current assets		**425,183,759**	**297,661,413**
Property, Plant & Equipment	4.00	425,183,759	289,321,998
(At Cost Less Accumulated Depreciation)			
Construction WIP		-	8,339,415
Investment in Government bond		**3,630,000**	**3,630,000**
Current assets		**98,366,982**	**108,164,294**
Inventory	5.00	37,330,423	38,371,795
Accounts Receivable	6.00	28,955,440	24,439,611
Advance, Deposits & Pre-Payments	7.00	31,194,290	44,937,518
Cash & Cash Equivalents	8.00	886,829	415,370
Current liabilities & provisions		**72,171,573**	**80,496,018**
Sundry Creditors	9.00	5,042,334	8,715,922
Short Term Bank Loan	10.00	17,566,844	19,857,529
Inter Company Payable	11.00	47,469,188	49,754,488
Liabilities for other Finance		-	294,872
Accrued Expenses	12.00	2,093,207	1,873,207
Net current assets		**26,195,409**	**27,668,276**
Net assets		**455,009,168**	**328,959,689**
Shareholders' equity		**404,786,813**	**278,409,348**
Share Capital	13.00	197,155,000	197,155,000
Share Money Deposit	14.00	3,414,000	3,414,000
Revaluation Reserve	15.00	109,112,305	-
Retained earnings	16.00	95,105,508	77,840,348
Non-current liabilities		**50,222,355**	**50,550,341**
Loan from NCC Bank	17.00	50,222,355	50,550,341
Liabilities & shareholders' equity		**455,009,168**	**328,959,689**

The annexed notes 1 to 26 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director & Director

As per our annexed report of same date.

Sd/-
SYFUL SHAMSUL ALAM & CO.
CHARTERED ACCOUNTANTS

Place : Dhaka
Dated : 13 July 2010

RANGPUR DAIRY & FOOD PRODUCTS LTD.

Income Statement

for the period from 01 January to 30 April 2010

	Notes	Jan. to Apr. 2010 Taka	Unaudited Jan. to Apr. 2009 Taka
Net Sales Revenue	18.00	97,503,905	91,380,990
Cost of Goods Sold	19.00	(69,412,697)	(66,707,717)
Gross profit		**28,091,208**	**24,673,273**
Operating expenses		**(8,263,838)**	**(7,657,006)**
Office & Administrative Expenses	20.00	(4,679,178)	(4,375,732)
Marketing & Distribution Expenses	21.00	(3,584,660)	(3,281,274)
Profit from operation		**19,827,370**	**17,016,267**
Financial Expenses	22.00	(2,629,623)	(2,421,337)
Non Operating Income		67,413	8,260
Net Profit before income tax		**17,265,160**	**14,603,190**
Provision for Income Tax		-	-
Net profit after income tax		**17,265,160**	**14,603,190**
Earning per share (EPS)	23.00	**87.57**	**74.07**

The annexed notes 1 to 26 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Managing Director & Director

As per our annexed report of same date.

Sd/-
SYFUL SHAMSUL ALAM & CO.
CHARTERED ACCOUNTANTS

Place : Dhaka
Dated : 13 July 2010

*** Restated EPS for the period April 2010 and April 2009 is Tk. 0.8457 and Tk. 0.7407 respectively**

RANGPUR DAIRY & FOOD PRODUCTS LTD.

Cash flow statement

for the period from 01 January to 30 April 2010

		Jan. to Apr. 2010 Taka	Unaudited Jan. to Apr. 2009 Taka
A.	**Cash flows from operating activities**		
	Collection from Sales	92,988,076	91,380,990
	Cash Paid to Suppliers, Employees and Others	(76,324,768)	(77,598,544)
	Other Income	67,413	8,260
	Net cash generated from operating activities	**16,730,720**	**13,790,706**
B.	**Cash flows from investing activities**		
	Purchase of Fixed Assets	(8,457,101)	(1,093,372)
	Construction WIP	-	(202,580)
	Net cash inflows/(outflows) in investing activities	**(8,457,101)**	**(1,295,952)**
C.	**Cash flows from financing activities**		
	Inter-company debts received/(paid)	(2,285,300)	(2,684,794)
	Received from other finance souce	(294,875)	(88,442)
	Long Term Loan received/ (Paid)	(2,350,000)	(4,625,000)
	Short Term Loan received/ (Paid)	(2,871,986)	(5,737,695)
	Net cash inflows/(outflows) from financing activities	**(7,802,161)**	**(13,135,931)**
D.	**Net cash inflows/(outflows) for the period (A+B+C)**	**471,459**	**(641,177)**
E.	**Cash & cash equivalents at the beginning of the period**	**415,370**	**906,792**
	Cash & cash equivalents at the end of the period (D+E)	**886,829**	**265,615**

RANGPUR DAIRY & FOOD PRODUCTS LTD.

Statement of Changes in Equity

for the period from 01 January to 30 April 2010

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total
	Taka	**Taka**	**Taka**	**Taka**	**Taka**
Balance as at 01 January 2010	197,155,000	3,414,000	-	77,840,348	278,409,348
Increase in Share Capital	-	-	-	-	-
Revaluation Reserve	-	-	109,112,305	-	109,112,305
Net Profit for the period	-	-	-	17,265,160	17,265,160
Balance as at 30 April 2010	**197,155,000**	**3,414,000**	**109,112,305**	**95,105,508**	**404,786,813**
Balance as at 01 January 2009	197,155,000	-	-	36,272,360	233,427,360
Increase in Share Capital	-	-	-	-	-
Net Profit for the period	-	-	-	14,603,190	14,603,190
Balance as at 30 April 2009	**197,155,000**	**-**	**-**	**50,875,550**	**248,030,550**

RANGPUR DAIRY & FOOD PRODUCTS LTD.
Notes to the financial statements
for the period from 01 January to 30 April 2010

1.00 Corporate History of the Reporting Entity

1.01 Corporate history

Rangpur Dairy & Food Products Ltd. (The Company) was incorporated in Bangladesh on March 06, 2004 Vide the certificate # C-52012(2307)/2004, as a Private Limited Company under The Companies Act 1994.

The principal office of business of the company is situated at 22/19 Khiljee Road, Mohammadpur. Dhaka–1207 and factory is located at Salaipur, Baldipukur, Rangpur-5460. The Company commenced its commercial production on 14th April 2007.

1.02 Nature of business

To produce or manufacturer UHT, pasteurized and flavored milk, ghee, butter, milk candy and chocolate candy and milk products and marketing the same in the domestic market.

2.00 Basis of preparation

2.01 Statement of compliance

This financial statements have been prepared in accordance with the requirements of the Companies Act 1994, the International Accounting Standards (IASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) as well as the other applicable laws and regulations.

This comprises Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement, notes and explanatory materials covering accounting policies.

2.02 Other Regulatory compliances

The Company is required to comply with following major legal provisions in addition to the Companies Act and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Rules 1991

2.03 Basis of measurement

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain property, plant and equipment.

2.04 Functional and presentational currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's' functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicate deductions.

2.05 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting polices and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.06 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the Company provide sufficient fund to meet the present requirements of its existing business.

2.07 Applicable standards

The following BASs are applicable for the financial statements:

BAS:1 Presentation of Financial Statements
BAS:2 Inventories
BAS:7 Cash Flow Statements
BAS:8 Accounting policies, Changes in Accounting Estimates and Errors
BAS:10 Events after the Balance Sheet Date
BAS:16 Property, Plant and Equipment
BAS:18 Revenue
BAS:23 Borrowing Costs
BAS:24 Related Party Disclosures
BAS:33 Earning Per Share
BAS:37 Provisions, Contingent Liabilities and Assets
BAS:38 Intangible Assets

2.08 Reporting period

The period of the financial statements covers from 1st January to 30th April 2010.

3.00 Significant accounting polices

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

3.01 Financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, short term finance and other payables.

3.02 Property, plant and equipment

3.02.01 Recognition and Measurement

These are capitalized at cost of acquisition and subsequently stated at cost or valuation less accumulated depreciation and impairment losses. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use.

There is no intangible asset and the fixed assets do not include any assets held under lease.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

3.02.02 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliable. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

3.02.03 Revaluation of Fixed Assests

When an asset's carrying amount is increased as a result of a revaluation, the increase amount should be credited directly to equity under the heading of Revaluation Surplus/ Reserve as per BAS-16: Property, Plant and Equipment. The Company revalued the Land & Land Development and Building on 01 January 2010 which is absolutely own by the Company and the increase amount has transferred to Revaluation Reserve. The valuation report prepared by "Online Survey & Inspection Company" has submitted on 10 March 2010.

3.02.04 Depreciation

No depreciation is charged on land & land development. Depreciation on all other fixed assets is computed using the reducing balance method so as to write off the assets over their expected useful life.

Half year's depreciation has been charged on assets procured on or before 30 June and no depreciation have been charged on those procured thereafter.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management:

Factory Building	3%
Furniture & Fixture	10%
Vehicles	10%
Plant & Machinery	10%
Electrical Installation	10%
Office Equipment	10%
Factory Equipment	10%
Generator	5%
Software	10%

3.02.05 Capital work-in-progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.03 Revenue recognition

Revenue from the sale of goods is measured at fair value of the consideration received or receivable. Revenue from sale of goods is recognized in the income statement when goods are delivered from factory go-down and delivery challan is issued to the customer. This is considered to be consistent with BAS 18.

3.04 Inventories

Inventories are valued in accordance with BAS-2 (Inventories) at the lower of cost and net realizable value. The cost of finished goods comprises raw materials, direct labour, other direct and other related production overheads (based on normal capacity) and production related and depreciation. Net realizable value is based on estimated selling price in the ordinary course of business less any further costs expected to be incurred to make the sale.

Category	Basis of Valuation
Finished Goods	At the lower of cost or Net realizable value. The cost includes allocation of production overheads that relate to bringing the inventories to their present conditioned location.
Raw Materials	At the lower of weighted average cost or net realizable value.
Materials-in-transit	At cost including related charges.

3.05 Accounts receivables

Receivables are carried at original invoice price. Provision for bad debts are calculated, on a case by case basis after review of the aging schedule and revised every quarter, when any specific risk arises relating to the collectibles the amount is written off.

3.06 Cash and cash equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

3.07 Cash Flow Statement

Cash Flow Statement is prepared in accordance with BAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

3.08 Investments in Govt. bond

Investments are stated at cost.

3.09 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with BAS-23 "Borrowing Cost". Borrowing costs relating to property, plant and equipment upto the period of completion of erection are capitalized, and those for the subsequent period is charged to revenue.

3.10 Accrued Expenses and Other Payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

3.11 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

Deposits are measured at payment value

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

3.12 Responsibility of the Preparation and Presentation of the Financial Statements

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

3.13 Event after the Balance Sheet Date

In compliance with the requirements of BAS 10: Events After the Balance Sheet Date, post balance sheet events that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are non adjusting events are disclosed in the notes when material.

3.14 Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

a. when the company has an obligation (legal or constructive) as a result of past events;

b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. reliable estimates can be made of the amount of the obligation.

3.15 Related party transactions

All the related party transactions have been accounted for, considering these on arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provision of BAS-24: Related party disclosure.

Disclosures of related Parties' transactions under BAS 24:

Name of the Party	Relationship	Nature of Transaction	Transaction Volume (in Taka)	Balance Outstanding (in Taka)
Concrete & Steel Technologies Ltd.	Sister Concern	Providing Working Capital Finance	6,714,700	47,469,188

3.16 Provision for Taxation

As per Section 44(1) and 6th Schedule, Part-A, Para 34 of the Income Tax Ordinance-1984, the income from business of Dairy Firm is exempted from tax. But the firm should purchase Government Bond for an amount of not less than 10% of its net profit within six months of the completion of the Accounting Year.

3.17 Earnings Per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic earnings represents earnings for the period attributable to 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 the ordinary shareholders.

3.18 Comparative Information and Rearrangement Thereof

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.
Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

Note-4.00 PROPERTY, PLANT & EQUIPMENT :

The break-up of the amount is given below:

Particulars	Cost				Rate of Dep. (%)	Depreciation			Written down value as on 30.04.10
	Balance as on 01.01.10	Addition during the period	Accretion during the period	Balance as on 30.04.10		Balance as on 01.01.10	Charged during the period	Balance as on 30.04.10	
Land & Land Development	33,485,923	4,476,385	71,853,231	109,815,539	-	-	-	-	109,815,539
Factory Building	54,287,026	8,339,415	37,259,074	99,885,515	3%	-	998,855	998,855	98,886,660
Furniture & Fixture	4,778,454	-	-	4,778,454	10%	936,643	128,060	1,064,704	3,713,750
Vehicles	15,335,164	4,512,865	-	19,848,029	10%	2,022,091	594,198	2,616,289	17,231,740
Plant & Machinery	197,185,974	16,847,200	-	214,033,174	10%	41,740,163	5,743,100	47,483,263	166,549,911
Electrical Installation	17,999,887	-	-	17,999,887	10%	3,942,421	468,582	4,411,003	13,588,884
Office Equipment	1,866,868	12,030	-	1,878,898	10%	256,356	54,085	310,441	1,568,457
Factory Equipment	10,295,150	956,142	-	11,251,292	10%	1,325,816	330,849	1,656,665	9,594,627
Software	300,000	-	-	300,000	10%	-	10,000	10,000	290,000
Generator	4,437,000	-	-	4,437,000	5%	425,958	66,851	492,808	3,944,192
Total as on 30.04.2010	**339,971,446**	**35,144,037**	**109,112,305**	**484,227,788**		**50,649,448**	**8,394,581**	**59,044,029**	**425,183,759**
Total as on 31.12.2009	**332,210,829**	**11,703,621**	**-**	**343,914,450**		**31,791,644**	**22,800,808**	**54,592,452**	**289,321,998**

Allocation of Depreciation:

Admin	20%	1,678,916
Factory	80%	6,715,665
		8,394,581

Revaluation Surplus :

Description	Asset Value Before Revaluation (Tk.)	Revalued Amount (Tk.)	Revaluation Surplus (Tk.)
Land and Land Development	33,485,923	105,339,154	71,853,231
Building	54,287,026	91,546,100	37,259,074
Total	**87,772,949**	**196,885,254**	**109,112,305**

The revalued amount as per valuation report of Online Survey & Inspection Company, a licensed certified surveyor, Government of Bangladesh, Dated: 10 March 2010.

		AMOUNT IN TAKA	
5.00	**Inventory :**	**30.04.2010**	**31.12.2009**

This is made up as follows:

Raw Materials	28,375,035	28,757,097
Finished Goods	8,955,388	9,614,698
Total	**37,330,423**	**38,371,795**

(Quantity wise Inventory is shown in the schedule-A/1 & A/2)

6.00 Accounts Receivables

This is made up as follows:	30.04.2010	31.12.2009
3-5 Shopping Mall (Uttara)	43,887	42,737
Agora (4outlet Mohakhali)	78,231	77,001
Aman Super Store	33,578	32,249
Bangladesh Bank	4,600	3,940
Bashundhara Bazar	16,766	16,186
Best Buy (Khilket)	17,585	16,565
Captain World	26,910	25,860
Carefamily	1,824	1,824
CIDRP (Motijheel)	1,746	1,746
CSD Bangladesh	76,208	74,358
Dominus Pizza	141,032	91,032
Dr. Naim	12,030	11,610
Faisal Ent. (Sylhet)	2,395,380	1,790,000
Family Mart (Uttara)	20,535	20,115
Family Needs	35,768	35,348
Family World	15,991	15,101
Friends Bazar	11,277	10,027
Gini Enterprise	2,205,700	1,850,000
Gmart Super Market Ltd (Mirpur-2)	2,454	2,454
Haat Bazar	2,975	2,975
John Enterprize	1,778,200	1,515,000
Levender	20,989	20,130
Mina Bazar (DM)	113,094	113,094
Mini Mall	14,248	14,248
Minu Bazar	20,971	20,551
Minu Bazar (Dhanmondi)	119,038	69,038
Mr. Abdus Sabur (NCC Bank Ltd.)	415	415
Mr.Baker (NCCBL)	840	840
MR.Sabur(Southeast Bank)	420	420
Mr.Shah Alam (HO)	1,071,337	266,337
Mr.Shawkat Ali (Banani)	422	422
Nandan Mega Shop (Dhanmondi)	47,845	45,285
Nandan Mega Shop (Gulshan 2)	36,207	34,959
Nandan Mega Shop (Uttara)	35,361	33,875

Nandan MS 4 (Kakrail)	5,402	5,402
Nandan MS 5 (Mirpur)	7,344	7,344
Nasrin Traders (Rng)	5,268,000	5,138,000
NCCB Bank (Motijheel)	84,735	83,175
NCCBL (DM)	430	430
PQS (1)Dhanmondi	690	690
PQS (Uttara)	45,603	43,323
Price House (Kuril)	10,539	9,359
Prime Bank Ltd(Motijheel)	9	9
Prince Bazar 2(MP)	9,614	8,469
Prince Bazar (Mirpur 1)	22,780	20,340
Prince Bazar (Mohammadpur)	24,023	21,463
Rahim Afroz SS(DM)	31,236	29,756
Rahim Afroz SS(GL)	12,824	10,844
Rahim Afroz SS(MB)	17,862	16,442
Rahim Afroz SS(MP)	13,578	13,578
Shishir Trading (D)	3,619,500	3,098,000
SM Enterprize (Ctg Depo)	8,792,350	7,820,000
Southeast Bank (Banani)	22,739	20,959
Tokeyo Super Shop(Uttara)	23,835	21,275
Toma Chemical	2,521,360	1,800,000
Trust Family Needs	17,123	15,013
Total	**28,955,440**	**24,439,611**

Receivables are unsecured but considered good.

7.00 Advance, Deposits & Pre-Payments:

This is made up as follows:	**30.04.2010**	**31.12.2009**
Advance against Rent	566,085	760,000
Advance to Factory	4,182,328	3,340,317
Advance to Chilling Center	3,956,197	-
Advance to Parties	22,318,409	23,720,503
Advance to Powertrade Associates Ltd.	-	16,945,427
Advance Income Tax	126,000	126,000
Security Deposit	45,271	45,271
Total	**31,194,290**	**44,937,518**

a) All the advances & Deposits amount is considered good and recoverable;
b) There is no agreement amount due from Directors or officers of the Company.

8.00 Cash & Cash Equivalents :

This is made up as follows:	**30.04.2010**	**31.12.2009**
Cash in Hand	528,530	449,670

Cash at Bank NCC CD A/c (Factory)	25,481	1,981
Cash at Bank NCC CD A/c	141,567	(69,075)
Cash at Bank NCC STD A/C	191,251	32,794
Total	**886,829**	**415,370**

9.00 Sundry Creditors :

This is made up as follows:	**30.04.2010**	**31.12.2009**
Basic Engineering	150,000	350,000
Bindu Trade Fair	51,641	51,641
Bismillah Traders	123,000	123,000
BBL Packing	863	-
BRAC Printing Pack	187,624	-
Dhaka Chemical	990	990
Digital Engravers	4	4
Eastern Traders	66,000	66,000
Expression Ltd.	(5,000)	-
Fair Sign	50,860	500
Famous Electric	480	480
Fortune Packaging	30,000	40,000
Galaxy Add	159,970	179,970
Hasan Chemical	23,772	23,772
IBS Metal & Dibba	31,181	-
Madaripur Gheeta Vander	120,800	120,800
Maritime Enterprenure Pvt Ltd	50,000	60,000
Moonson Admedia	35,000	45,000
Moonstar Publicity	1,097	1,097
MR Packaging	362,845	362,845
MAB Packaging Industries	441,925	-
Marfat Traders	(90,000)	-
Nasir Enterprize	12,500	72,500
Powertrade Associates Ltd.	520,043	-
Rahim Afroz	(8,000)	40,000
Raw Milk Bill Payable	-	884,102
RK Trading Agencies	35,000	35,000
RFL Plastic	30,000	-
Shaheen Enterprise	121,040	2,794,522
S. M. Zaman	2,500,000	2,500,000
SS Metal	35,970	135,970
Sunwah Industrial Corp	(75,000)	
Thai Collection	(50,000)	
Top Pack	121,254	821,254
Zaim Printing	6,475	6,475
Total	**5,042,334**	**8,715,922**

a) Sundry creditors represent regular suppliers of raw materials, stationery and others.

b) All creditors were paid on regular basis.

10.00 Short Term Bank Loan :

This is made up as follows:	30.04.2010	31.12.2009
NCC Bank Limited (Cash Credit) **(Note-10.01)**	16,033,483	15,573,077
NCC Bank Limited (LTR) **(Note-10.01)**	1,533,361	4,284,452
Total	**17,566,844**	**19,857,529**

10.01 NCC Bank Limited (Cash Credit) & (LTR)

Interest:

16% p.a. subject to revision from time to time.

Securities:

a) Hypothecation of Stock of raw materials, work-in-process and finished goods duly insured under Bank's mortgage clause.

b) Registered mortgage of 246 decimal project land along with factory building and other structure at Vill: salaipur, Baldipukur, Rangpur Valuing Tk. 376.10 lac (approx.)

c) Hypothecation of plant & machinery valuing Tk. 1292.26 lac duly insured under Bank's mortgage clause.

d) Post dated cheque(s) covering LTR.

11.00 Inter Company Payable

This is made up as follows:	30.04.2010	31.12.2009
Opening Balance	49,754,488	65,570,407
Add: During the period	2,214,700	17,984,081
	51,969,188	**83,554,488**
Less: Refund during the period	4,500,000	33,800,000
Closing Balance	**47,469,188**	**49,754,488**

The above transactions have made with Concrete & Steel Technologies Ltd.

12.00 Accrued Expenses:

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This is made up as follows:	30.04.2010	31.12.2009
Audit fee	100,000	50,000
Consultancy Fee	-	50,000
Legal Fee	20,000	20,000
Salary & Allowances	789,772	779,772
Remuneration Payable	400,000	-
Office Rent Payable	160,000	
Other Liabilities (VAT Payable)	150,000	-
Provision for Income Tax	5,000	5,000
C & F Bill	468,435	968,435
Total	**2,093,207**	**1,873,207**

a) All accrued Expenses were paid on regular basis;

b) Salary & Allowances for the month of April,09 has been paid subsequent month;

c) C & F bill was due to Import of Packing Material;

d) VAT amount has been paid immediate of this accounts.

13.00 Share Capital :

13.01 **Authorized Capital :**	30.04.2010	31.12.2009
250,000 Ordinary Shares of Tk. 1000/- each	**250,000,000**	**250,000,000**

13.02 Issued, Subscribed, Called-up & Paid-up Capital : Tk. 197,155,000

197,155 Ordinary Shares of Tk. 1000/- each	**197,155,000**	**197,155,000**

The Shareholding position of the Company are as under :

Name	No. of Shares	Percentages (%)	Amount In Taka
Mr. S.M.Fakharuzaman	58,291	29.57	58,291,000
Mr. M.A.Kabir	58,291	29.57	58,291,000
Mrs. Sultana Parvin	20,573	10.43	20,573,000
GOB, EEF Unit, Bangladesh Bank	60,000	30.43	60,000,000
Total	**197,155**	**100.00**	**197,155,000**

14.00 Share money deposit :

This represents subscription money received from shareholders in the proportion of their shareholdings against which issue of shares is pending.

15.00 Revaluation Reserve :

The revaluation of company's assets was made on 10 March 2010 by Online Survey & Inspection Company, a licensed certified surveyor, Government of Bangladesh. The valuation has been made for reflection of actual value of its assets. The revalued amount was incorporated in the accounts as follows:

Description	Asset Value Before Revaluation (Tk.)	Revalued Amount (Tk.)	Revaluation Surplus/ Reserve (Tk.)
Land and Land Development	33,485,923	105,339,154	71,853,231
Building	54,287,026	91,546,100	37,259,074
Total	**87,772,949**	**196,885,254**	**109,112,305**

16.00 Retained Earnings :

This is made up as follows:	**30.04.2010**	**31.12.2009**
Opening Balance	77,840,348	36,272,360
Add/(Less): Net Profit/(Loss) for the period	17,265,160	41,567,988
Retained Earnings for the period	**95,105,508**	**77,840,348**

17.00 Loan from NCC Bank

This is made up as follows:	**30.04.2010**	**31.12.2009**
Opening Balance	50,550,341	54,011,269
Add: During the period	-	-
	50,550,341	**54,011,269**
Add: Interest Charged for the period	2,022,014	8,154,072
	52,572,355	**62,165,341**
Less: Payment during the period	2,350,000	11,615,000
Closing Balance	**50,222,355**	**50,550,341**

17.01

Secured term loan of Taka 5 (five) crore was taken from NCC bank to finance the cost of machinery. The loan is being repaid in 60 monthly equal installments of Taka 11.65 lac each commencing from 19.06.2006 bearing interest of 14% p.a. with monthly rest or revised from time to time on outstanding balances.

The loan is secured by:

a) Hypothecation of Stock of raw materials, work-in-process and finished goods duly insured under Bank's mortgage clause.

b) Hypothecation of plant & machinery to be installed there duly insured with Bank's mortgage clause covering all possible risks.

c) 1st charge on all fixed & floating assets of the company (present & future) to be created with RJSC.

		AMOUNT IN TAKA	
18.00	**Net Sales Revenue :**	**Jan. to Apr. 2010**	**Jan. to Apr. 2009**

This is made up as follows:

	Jan. to Apr. 2010	Jan. to Apr. 2009
Gross Sales Revenue **(Note-18.01)**	97,657,905	91,448,990
VAT	(154,000)	(68,000)
Net Sales Revenue	**97,503,905**	**91,380,990**

18.01 Gross Sales Revenue :

This is made up as follows:

Sl. No.	Name of Product	Quantity	Rate	Amount in Tk.
1	RD Fresh Milk 500 ml (Pkt)	2,516,523	22.00	55,363,507
2	RD Fresh Milk 200 ml (Pkt)	2,737,728	10.50	28,746,141
3	RD Mango Milk 200 ml (Pkt)	308,890	12.00	3,706,685
4	RD Ghee 500 ml pot	10,478	245.00	2,566,995
5	RD Ghee 200 ml pot	12,207	110.00	1,342,717
6	RD Laccha shemai (Pkt)	86,178	17.00	1,465,032
7	Butter oil 2 kg (pot)	6	600.00	3,600
8	Butter oil 1 kg (pot)	6,337	320.00	2,027,711
9	Butter oil 500 Gram (pot)	4,176	165.00	689,037
10	RD Milk Candy 100 pcs jar	2,945	55.00	161,963
11	RD Milk Candy 250 pcs jar	1,058	153.00	161,904
12	RD Milk Candy pouch 50pcs	5,141	27.00	138,800
13	RD Chocolate Candy 250 pcs jar	738	153.00	112,877
14	RD Chocolate Candy 100 pcs jar	2,736	55.00	150,503
15	RD Chocolate Candy pouch 50pcs	4,181	27.00	112,879
16	RD Fazlee Candy250 pcs jar	4,152	153.00	635,288
17	RD Fazlee Candy 100 pcs jar	4,950	55.00	272,266
	Total			**97,657,905**

19.00 Cost of Goods Sold :

This is made up as follows:

	Jan. to Apr. 2010	Jan. to Apr. 2009
Raw materials Consumed **(Note-19.01)**	48,160,549	48,233,439
Carriage Inward	175,250	210,815
Power Cost **(Note-19.02)**	10,174,321	9,947,756
Prime Cost	**58,510,120**	**58,392,010**
Add: Manufacturing Overhead **(Note-19.03)**	10,243,267	9,822,681
Cost of Production	**68,753,387**	**68,214,691**
Finished Goods (Opening)	9,614,698	10,647,375
Finished Goods (Closing)	(8,955,388)	(12,154,349)
Cost of Goods Sold	**69,412,697**	**66,707,717**

19.01 Raw Materials Consumed :

This is made up as follows:

	Jan. to Apr. 2010	Jan. to Apr. 2009

Opening stock	28,757,097	32,415,116
Purchase	47,778,487	49,942,097
Raw materials available for use	**76,535,584**	**82,357,213**
Closing Stock	(28,375,035)	(34,123,774)
Raw materials Consumed	**48,160,549**	**48,233,439**

19.02 Power Cost :

This is made up as follows:	Jan. to Apr. 2010	Jan. to Apr. 2009
Electricity Charges	286,328	458,336
Furnace Oil	2,656,716	2,499,500
Fuel & Disel	7,215,727	6,987,520
Gas Charges	15,550	2,400
Total	**10,174,321**	**9,947,756**

19.03 Manufacturing Overhead :

This is made up as follows:	Jan. to Apr. 2010	Jan. to Apr. 2009
Salary & Allowances	2,827,210	2,808,947
Entertainment	51,680	67,260
Chilling Center Expenses	16,959	68,837
Compensation	33,750	-
C & F Charge	35,000	-
Factory Maintenance	54,203	84,302
Generator Maintenance	37,497	84,834
Incentive	-	40,660
Internet Bill	4,570	2,550
Insurance premium	500	-
Medical Expenses	9,242	15,474
Labor Bill	389,645	389,690
Repair & Maintenance	52,347	120,550
Misc Expenses	15,000	58,162
Depreciation	6,715,665	6,080,215
Uniform	-	1,200
Total	**10,243,267**	**9,822,681**

20.00 Office & Administrative Expenses :

This is made up as follows:	Jan. to Apr. 2010	Jan. to Apr. 2009
Salary & Allowances	1,130,884	1,136,459
Directors' Remuneration **(Note-20.01)**	400,000	-
Security Salary	56,000	46,200
Conveyance	19,223	81,003
Entertainment	49,828	74,786
Audit Fee	100,000	-
Electricity Bill	-	15,721
Donation & subscription	1,600	12,000
Fees & Charges	5,545	45,040
Depreciation	1,678,916	1,520,054
Fine & Penalties	1,200	300
Fuel & Oil	525,450	535,613

General Expenses	117,073	264,902
House Rent	9,000	8,750
Misc Expenses	-	25,750
Mobile Bill	117,276	140,560
Newspaper	-	728
Office Maintenance	640	12,799
Office Rent	160,000	150,500
Photocopy Bill	2,052	6,262
Postage Telex courier	10,785	19,368
Printing & Stationary	164,732	193,489
Repair & Maintenance	3,000	34,952
Renewal Fee	75,238	-
Seminar & Workshop	500	1,900
Telephone	92	526
Tours & Travel	27,221	36,964
Consultancy Fee	20,000	-
Water Bill	2,923	11,106
Total	**4,679,178**	**4,375,732**

20.01 Directors' Remuneration :

Details of gross remuneration of Directors during the period are as follows:

Name of the Directors	**Jan. to Apr. 2010**	**Jan. to Apr. 2009**
Mr. S.M.Fakharuzaman	200,000	-
Mr. M.A.Kabir	200,000	-
Total	**400,000**	**-**

Currently the Directors are not enjoying any other benefits from the company. The total amount of Directors' Remuneration is unpaid during the period and so no tax is deducted.

21.00 Marketing & Distribution Expenses :

This is made up as follows:	**Jan. to Apr. 2010**	**Jan. to Apr. 2009**
Salary & Allowances	1,796,326	1,685,368
TA/DA	1,035,947	837,869
Advertising & Publicity	554,600	503,712
Business Promotion	35,715	56,200
Vehicle Maintenance	162,072	198,125
Total	**3,584,660**	**3,281,274**

22.00 Financial Expenses :

This is made up as follows:	**Jan. to Apr. 2010**	**Jan. to Apr. 2009**
Interest on Loan	2,603,315	2,415,689
Bank Charges & Commission	26,308	5,648
Total	**2,629,623**	**2,421,337**

23.00 Calculation of Basic Earnings Per Share :

		Jan. to Apr. 2010	Jan. to Apr. 2009
Basic Earnings Per Share =			
Net Profit After Tax	=	17,265,160	14,603,190
Number of Ordinary Shares		197,155	197,155
	=	**87.57**	**74.07**

24.00 Post Balance Sheet Events :

No material events had occurred after the balance sheet date to the date of issue of these financial statements, which could affect the values stated in the financial statements.

25.00 Production Capacity :

	Jan. to Apr. 2010	Jan. to Apr. 2009
Installed Capacity :		
Processing Stage (Ltr.)	7,300,000	7,300,000
Packaging Stage (Ltr.)	3,000,000	3,000,000
Production (In Ltr.)	**2,044,000**	**1,971,000**
Capacity utilized (%)		
Processing Stage (Ltr.)	**28%**	**27%**
Packaging Stage (Ltr.)	**68%**	**66%**

26.00 Employees :

	Jan. to Apr. 2010	Jan. to Apr. 2009
Number of employees whose salary was below Tk. 3,000	Nil	Nil
Number of employees whose salary was above Tk. 3,000	230	239

Rangpur Dairy & Food Products Ltd.
Schedule of Inventory
as at 30 April 2010

1.00 Raw Materials : **Schedule-A/1**

Sl. No.	Item Name	Unit	Rate	Closing Stock	Stock value
1	Raw milk	Kg	29.00	33,321.70	966,329
2	Caustic Soda	Kg	45.00	50.00	2,250
3	Nitric Acid	Kg	42.00	210.00	8,820
4	Per oxide	Kg	42.00	60.00	2,520
5	Wheel powder	Kg	50.00	9.00	450
6	Soda Ash	Kg	21.00	61.00	1,281
7	Sulfuric Acid	Kg	26.00	27.90	725
8	Amyl Alcohol	Kg	500.00	2.50	1,250
9	Ethyl Alcohol	Kg	250.00	25.00	6,250
10	Sugar	Kg	53.00	154.00	8,162
11	Mango Compound	Kg	260.00	464.00	120,640
12	Banana Compound	Kg	260.00	2,651.00	689,260
13	Stabilizer	Kg	1,736.00	940.00	1,631,840
14	Poly Film 500 ml	Kg	470.00	13,322.00	6,261,340
15	Poly Film 200 ml	Kg	470.00	10,033.00	4,715,510
16	Poly Film Mango	Kg	470.00	16,353.00	7,685,910
17	Poly Film Banana	Kg	470.00	9,615.00	4,519,050
18	Blecine Powder	Kg	20.00	35.00	700
19	Mango Flavour	Kg	1,350.00	4.30	5,805
20	Orange Red Colour	Kg	350.00	0.65	228
21	Egg Yellow Colour	Kg	350.00	0.65	228
22	Carton Rd Milk	pcs	22.00	202.00	4,444
23	Carton Rd Ghee 200 ml	pcs	15.00	150.00	2,250
24	Carton Rd Ghee 500 ml	pcs	12.00	137.00	1,644
25	Butter oil pot 2 kg	pcs	38.00	21.00	798
26	Butter oil pot 1kg	pcs	22.00	1,631.00	35,882
27	Butter oil pot 500 gram	pcs	16.00	1,936.00	30,976
28	Cartun Butter oil 2 kg	pcs	18.00	3.00	54
29	Cartun Butter oil 1kg	pcs	14.00	263.00	3,682
30	Cartun Butter oil 500 gram	pcs	16.00	243.00	3,888
31	Ghee pot 500 ml	pcs	16.00	1,081.00	17,296
32	Ghee pot 200 ml	pcs	10.50	1,958.00	20,559
33	Gum Tape	pcs	19.50	80.00	1,560
34	Lp gas	pcs	940.00	1.00	940
35	Rebon	pcs	450.00	245.00	110,250
36	Ink 9175	pcs	10,000.00	1.00	10,000
37	Make-up 8188	pcs	2,200.00	1.00	2,200
38	Additive 5191	pcs	1,200.00	2.00	2,400
39	Liquid glucose	Kg	50.60	1,500.00	75,900
40	Milk Flavour	Kg	1,025.00	26.00	26,650
41	Butter Flavour	Kg	1,350.00	27.00	36,450
42	Sodium Citrate	Kg	75.00	9.00	675
43	Vanilla Powder	Kg	800.00	9.00	7,200
44	Coco powder	Kg	165.00	25.00	4,125
45	Chocolate Flavor	Kg	1,500.00	25.00	37,500
46	HPKO	Kg	195.00	1,186.00	231,270
47	Butter oil	Kg	195.00	2,490.00	485,550

48	Salt	Kg	12.00	44.00	528
49	Ceramel color	Kg	850.00	6.00	5,100
50	Soyalichithin	Kg	220.00	204.12	44,906
51	Foil Chocolate candy	Kg	460.00	53.18	24,463
52	Foil Fazlee candy	Kg	460.00	165.00	75,900
53	candy jar 100pcs	pcs	8.00	5,000.00	40,000
54	Jar Label milk candy250 pcs	pcs	2.95	2,700.00	7,965
55	Label milk candy100 pcs	pcs	2.65	13,970.00	37,021
56	Label chocolate candy 250 pcs	pcs	2.95	2,598.00	7,664
57	Label chocolate candy 100 pcs	pcs	2.65	5,000.00	13,250
58	Label Fazlee candy 250 pcs	pcs	2.65	4,155.00	11,011
59	Ctn Milk candy 15 Jar x250 pcs	pcs	36.00	1,533.00	55,188
60	Ctn Chocolate candy 15 Jar x250 pcs	pcs	36.00	849.00	30,564
61	Ctn candy 24 jar x100 pcs	pcs	27.00	1,270.00	34,290
62	CTN Pouch 50 pcs	pcs	38.00	309.00	11,742
63	Gum tape 1"	pcs	12.00	269.00	3,228
64	Gum tape 2"	pcs	19.50	95.00	1,853
65	HDP Poly bag 24x36	pcs	5.00	266.00	1,330
66	Poly pouch milk candy	Kg	544.00	162.16	88,215
67	poly pouch chocolate candy	Kg	544.00	180.38	98,127
				Total	**28,375,035**

2.00 Finished Goods (FG) : **Schedule-A/2**

Sl. No.	Item Name	Unit	Rate	Closing stock	Value
1	RD Laccha shemai	Pkt	17.00	1,591.00	27,047
2	Butter oil 2 kg	pot	600.00	935.00	561,000
3	Butter oil 1 kg	pot	320.00	786.00	251,520
4	Butter oil 500 Gram	pot	165.00	935.00	154,275
5	RD Milk 500 ml	Pkt	22.00	73,918.00	1,626,196
6	RD Milk 200 ml	Pkt	10.50	84,647.00	888,794
7	RD Mango Milk 200 ml	Pkt	11.00	53,637.00	590,007
8	RD Ghee 500 ml pot	pot	245.00	3,307.00	810,215
9	RD Ghee 200 ml pot	pot	110.00	4,931.00	542,410
10	RD bulk Ghee	Kg	380.00	2,731.00	1,037,780
11	RD Milk Candy 100 pcs jar	pcs	0.61	21,130.00	12,932
12	RD Milk Candy 250 pcs jar	pcs	0.61	142,560.00	87,247
13	RD Milk Candy pouch 50pcs	pcs	0.61	211,300.00	129,316
14	RD Chocolate Candy 250 pcs jar	pcs	0.61	2,058,630.00	1,259,882
15	RD Chocolate Candy 100 pcs jar	pcs	0.61	242,560.00	148,447
16	RD Chocolate Candy pouch 50pcs	pcs	0.61	122,588.00	75,024
17	RD Fazlee Candy250 pcs jar	pcs	0.61	1,116,580.00	683,347
18	RD Fazlee Candy 100 pcs jar	pcs	0.61	114,300.00	69,952
				Total	**8,955,388**

Auditors' Report in pursuant to section 135(1) under para 24(1) of part -II of the Third Schedule of the Companies Act 1994

We as the auditors, having examined the Financial Statements of Rangpur Dairy & Food Products Limited for the period ended 31 December 2006, for the year ended 31 December 2007, 2008 & 2009 and for the period ended 30 April 2010, certify pursuant to section 135(1) under para 24(1) of part -II of the Third Schedule of the Companies Act 1994, report that:

A. The statement of assets and liabilities of the company are as under:

Particulars	30.04.2010	31.12.2009	31.12.2008	31.12.2007	31.12.2006	30.06.2006
Non Current Assets	**425,183,759**	**297,661,413**	**305,751,494**	**279,947,905**	**213,317,159**	**140,273,612**
Property, Plant & Equipment	425,183,759	289,321,998	300,419,185	278,115,596	208,343,102	138,430,238
Construction WIP	-	8,339,415	5,332,309	1,832,309	-	-
Preliminary Expenses	-	-	-	-	140,500	36,200
Pre-Operating Expenses	-	-	-	-	4,833,557	1,807,174
Investment in Government bond	**3,630,000**	**3,630,000**	**925,000**	**-**	**-**	**-**
Current Assets	**98,366,982**	**108,164,294**	**84,024,125**	**53,480,004**	**51,605,717**	**110,013,236**
Inventory	37,330,423	38,371,795	43,062,491	27,192,877	-	-
Receivable from GOB, EEF Unit, BB	-	-	-	-	5,000,000	15,000,000
Inter Company Receivable	-	-	-	-	29,449,061	16,329,472
Investment in FDR	-	-	-	-	-	5,000,000
Accounts Receivable	28,955,440	24,439,611	643,412	-	-	
Advance, Deposits & Pre-Payments	31,194,290	44,937,518	39,411,430	20,290,671	16,589,532	66,707,382
Cash & Cash Equivalents	886,829	415,370	906,792	5,996,456	567,124	6,976,382
Current Liabilities & Provisions	**72,171,573**	**80,496,018**	**103,261,990**	**69,225,481**	**13,349,626**	**2,909,626**
Sundry Creditors	5,042,334	8,715,922	18,246,436	10,400,000	10,400,000	-
Short Term Bank Loan	17,566,844	19,857,529	16,522,491	-	-	-
Inter Company Payable	47,469,188	49,754,488	65,570,407	55,875,855	-	-
Liabilities for other Finance	-	294,872	383,314	-	-	-
Accrued Expenses	2,093,207	1,873,207	2,539,342	2,949,626	2,949,626	2,909,626
Net Current Assets	**26,195,409**	**27,668,276**	**(19,237,865)**	**(15,745,477)**	**38,256,091**	**107,103,610**
NET ASSETS	**455,009,168**	**328,959,689**	**287,438,629**	**264,202,428**	**251,573,250**	**247,377,222**
Shareholders' Equity	**404,786,813**	**278,409,348**	**233,427,360**	**206,393,829**	**197,155,000**	**197,155,000**
Share Capital	197,155,000	197,155,000	197,155,000	197,155,000	197,155,000	197,155,000
Share Money Deposit	3,414,000	3,414,000	-	-	-	-
Revaluation Reserve	109,112,305	-	-	-	-	-
Retained Earnings	95,105,508	77,840,348	36,272,360	9,238,829	-	-
Non-Current Liabilities	**50,222,355**	**50,550,341**	**54,011,269**	**57,808,599**	**54,418,250**	**50,222,222**
Loan from NCC Bank	50,222,355	50,550,341	54,011,269	57,808,599	54,418,250	50,222,222
LIABILITIES & SAHREHOLDERS' EQUITY	**455,009,168**	**328,959,689**	**287,438,629**	**264,202,428**	**251,573,250**	**247,377,222**

B. The statement of operating result of the company is as follow:

Particulars	January 01, 2010 to April 30, 2010	January 01, 2009 to December 31, 2009	January 01, 2008 to December 31, 2008	January 01, 2007 to December 31, 2007
Net Sales Revenue	97,503,905	292,769,822	243,539,975	117,108,321
Less: Cost of Goods Sold	69,412,697	214,120,413	182,111,559	80,152,868
Gross Profit	**28,091,208**	**78,649,409**	**61,428,416**	**36,955,453**
Less: Operating Expenses	8,263,838	27,392,545	24,294,691	18,495,374
Office & Administrative Expenses	4,679,178	14,958,064	14,375,287	10,567,764
Marketing & Distribution Expenses	3,584,660	12,434,481	9,919,404	7,927,610
Profit from Operation	**19,827,370**	**51,256,864**	**37,133,725**	**18,460,079**
Less: Financial Expenses	2,629,623	10,210,899	10,174,687	9,261,282
Add: Non Operating Income	67,413	527,023	74,493	40,033
Net Profit before Income Tax	17,265,160	41,572,988	27,033,531	9,238,830
Provision for Income tax	-	5,000	-	-
Net Profit / (Loss) after Income Tax	**17,265,160**	**41,567,988**	**27,033,531**	**9,238,830**
Earning Per Share (EPS)	**87.57**	**210.84**	**137.12**	**46.86**

C. The statement of cash flow of the company was as under:

Particulars	January 01, 2010 to April 30, 2010	January 01, 2009 to December 31, 2009	January 01, 2008 to December 31, 2008	January 01, 2007 to December 31, 2007	July 01, 2006 to December 31, 2006
Cash flow from operating activities					
Cash received from customers	92,988,076	268,973,623	242,896,563	117,108,321	
Cash paid to Suppliers, Employees and Others	(76,324,768)	(224,842,958)	(205,336,606)	(115,950,396)	(1,347,873)
AIT Paid	-	-	-	(126,000)	-
Income tax paid	-	(5,000)	-	-	-
Other Income	67,413	527,023	74,493	40,033	-
a. Net Cash Flow from Operating Activities	**16,730,720**	**44,652,688**	**37,634,450**	**1,071,958**	**(1,347,873)**
Cash Flow from Investing Activities					
Purchase of fixed assets	(8,457,101)	(11,703,621)	(39,397,494)	(78,310,233)	(11,137,824)
Investment in Government Bond	-	(2,705,000)	(925,000)	-	-
Capital work in progress	-	(3,007,106)	(3,500,000)	(1,832,309)	-
Received from GOB EEF Unit, BB	-	-	-	5,000,000	10,000,000
Proceeds from encashment of FDR	-	-	-	-	5,000,000
b. Net cash used in Investing Activities	**(8,457,101)**	**(17,415,727)**	**(43,822,494)**	**(75,142,542)**	**3,862,176**

Cash Flow from Financing Activities

Inter-Company debts received / (paid)	(2,285,300)	(20,835,353)	(2,231,441)	85,324,916	(13,119,589)
Share Money Deposit	-	3,414,000	-	-	-
Received from other finance source	(294,875)	(88,442)	383,314	-	-
Long term loan received /(paid)	(2,350,000)	(11,615,000)	(12,850,000)	(5,825,000)	4,196,028
Short term loan received /(paid)	(2,871,986)	1,396,412	15,796,507	-	-
c. Net Cash Flow from Financing Activities	**(7,802,161)**	**(27,728,383)**	**1,098,380**	**79,499,916**	**(8,923,561)**
Net cash surplus for the year/period (a+b+c)	**471,459**	**(491,422)**	**(5,089,664)**	**5,429,332**	**(6,409,258)**
Cash and cash equivalents beginning of the year/period	415,370	906,792	5996456	567,124	6,976,382
Cash and cash equivalents end of the year/period	**886,829**	**415,370**	**906,792**	**5,996,456**	**567,124**

D. Dividend declared:

Particulars	2009 Taka	2008 Taka	2007 Taka	2006 Taka	2005 Taka
Cash dividend-%	-	-	-	-	-
Stock dividend (Bonus share)-%	20%	-	-	-	-

E. Rangpur Dairy & Food Products Limited was incorporated as a Private Limited Company on 06 March 2004. Subsequently it has converted into a Public Limited Company on 24 June 2010 and the Registrar of Joint Stock Company's & Firms (RJSCF) of Bangladesh has certified the amendment copy of Memorandum and Articles of Association on 12 August 2010.

F. The company had no subsidiary company as on the balance sheet date.

G. No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

H. The company did not prepare any statement of accounts for the period subsequent to 30 April 2010.

Sd/-
SYFUL SHAMSUL ALAM & CO.
CHARTERED ACCOUNTANTS

Place: Dhaka
Dated: 14 August 2010

*** Note**. Due to share split on 22.05.2010, of face value per share from Tk. 1000 to Tk. 10, the restated EPS stands Tk. 0.8757 for the period ended 30 April 2010 (four month period). Restated EPS (per share of Tk.10) for the years ended 2007, 2008, & 2009 stood at Tk. 0.4686, Tk. 1.3712 and Tk.2.1084 respectively.

Auditors' certificate regarding calculations of Ratios for the year ended 31 December 2006, 2007, 2008 & 2009 and for the period ended 30 April 2010

We have examined the calculation of following ratios of Rangpur Dairy & Food Products Limited for the year ended 31 December 2006, 2007, 2008 & 2009 and for the period ended 30 April 2010, which have been calculated by the company's management, in order to confirm as to whether they have been properly calculated using acceptable principles and based on the audited financial statements of the relevant periods.

Based on our review, we certify that the company's management has calculated the ratios using the acceptable principles and based on the audited financial statements for the year ended 31 December 2006, 2007, 2008 & 2009 and for the period ended 30 April 2010.

	Expressed In	30.04.2010 4 Months	31.12.2009 12 Months	31.12.2008 12 Months	31.12.2007 12 Months	31.12.2006 12 Months
1. Liquidity Ratios:						
Current Ratio	Ratio	1.36	1.34	0.81	0.77	3.87
Quick Ratio	Ratio	0.85	0.87	0.40	0.38	3.87
Times Interest Earned Ratio	Times	7.57	5.07	3.66	2.00	N/A
Debt to Equity Ratio	Ratio	0.17	0.25	0.30	0.28	0.28
2. Operating Ratios:						
Accounts Receivable Turnover	Times	10.96	23.34	757.03	N/A	N/A
Inventory Turnover	Times	5.50	5.26	5.18	5.90	N/A
Fixed Asset Turnover	Times	0.81	0.97	0.83	0.47	N/A
Total Asset Turnover	Times	0.63	0.74	0.67	0.39	N/A
3. Profitability Ratios:						
Gross Margin	%	28.81	26.86	25.22	31.56	N/A
Operating Income	%	20.33	17.51	15.25	15.76	N/A
Net Income	%	17.71	14.20	11.10	7.89	N/A
Return on Assets	%	9.89	10.24	6.94	2.77	N/A
Return on Equity	%	12.80	14.93	11.58	4.48	N/A
*Earning Per Share (EPS)	Taka	87.57	210.84	137.12	46.86	N/A

Sd/-

Place: Dhaka
Dated: 14 August 2010

SYFUL SHAMSUL ALAM & CO.
CHARTERED ACCOUNTANTS

*** Note:** Since inception of the company until 30 April 2010, the face value per share was Tk. 1000. Due to share split on 22.05.2010, i.e. conversion of face value per share from Tk. 1000 to Tk. 10, the restated EPS stands Tk. 0.8757 for the period ended 30 April 2010 (four month period). Restated EPS (per share of Tk.10) for the years ended 2007, 2008, & 2009 stood at Tk. 0.4686, Tk. 1.3712 and Tk.2.1084 respectively.

Additional disclosures in the Financial Statements of Rangpur Dairy & Food Products Limited for the period ended 30th April 2010

I. "After clause (c) of the Auditors' Report to Shareholders new clause (d) shall be inserted as under:

d) The expenditure incurred was for the purposes of business of the company."

II. Para three of "Auditors Report to the Shareholders" shall be replaced as under:

In our opinion, the financial statements of the company along with the notes thereon, prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the state of affairs of the company as of 30th April 2010 and of the results of its operations and cash flows for the period then ended and comply with applicable sections of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

III. A new note 3.19 shall be inserted as under:

The income statement and cash flow statement for the period ended 30th April 2009 appears as a comparative figure only and provided by the management.

IV. Note no. 24.00 shall be replaced as under:

24.00 Post Balance Sheet Events:
The Authorized share capital has been increased from Tk. 250,000,000 (Taka Twenty Five crore) only to Tk.1,000,000,000 (Taka One Hundred crore) only at the Extra-ordinary General Meeting (EGM) dated 22 May 2010. Also, the Directors recommended Stock Dividend at 20% on the financial statements as on 31 December 2009 and the proposal was approved at Annual General Meeting (AGM) dated 8th June 2010.

V. In note 5.00 the following para is to be added:

Schedule of Inventory
As at January 01, 2010

1.00 Raw Materials :

Sl. No.	Item Name	Unit	Rate	Qty	Stock value
1	Raw milk	Kg	29.00	33,470.80	970,653
2	Caustic Soda	Kg	45.00	50.00	2,250
3	Nitric Acid	Kg	42.00	175.00	7,350
4	Per oxide	Kg	42.00	150.00	6,300
5	Wheel powder	Kg	50.00	2.00	100
6	Soda Ash	Kg	21.00	50.00	1,050
7	Sulfuric Acid	Kg	26.00	1.50	39
8	Amyl Alcohol	Kg	500.00	2.50	1,250
9	Ethyl Alcohol	Kg	250.00	50.00	12,500
10	Sugar	Kg	53.00	133.00	7,049
11	Mango Compound	Kg	260.00	2,745.00	713,700
12	Banana Compound	Kg	260.00	4,651.50	1,209,390
13	Stabilizer	Kg	1,736.00	1,965.61	3,412,299
14	Poly Film 500 ml	Kg	470.00	14,370.83	6,754,290
15	Poly Film 200 ml	Kg	470.00	5,076.28	2,385,852
16	Poly Film Mango	Kg	470.00	14,140.41	6,645,993
17	Poly Film Banana	Kg	470.00	5,615.45	2,639,262
18	Blecine Powder	Kg	20.00	50.00	1,000
19	Mango Flavour	Kg	1,350.00	12.07	16,295
20	Orange Red Colour	Kg	350.00	0.65	228
21	Egg Yellow Colour	Kg	350.00	0.65	228
22	Butter oil	Kg	195.00	2,754.00	537,030

23	Carton Rd Milk	pcs	22.00	8,541.00	187,902
24	Carton Rd Ghee 200 ml	pcs	15.00	76.00	1,140
25	Butter oil pot 2 kg	pcs	38.00	21.00	798
26	Butter oil pot 1 kg	pcs	22.00	1,631.00	35,882
27	Butter oil pot 500 gram	pcs	16.00	2,090.00	33,440
28	Cartun Butter oil 2 kg	pcs	18.00	3.00	54
29	Cartun Butter oil 1kg	pcs	14.00	263.00	3,682
30	Cartun Butter oil 500 gram	pcs	16.00	256.00	4,096
31	Ghee pot 500 ml	pcs	16.00	176.00	2,816
32	Ghee pot 200 ml	pcs	10.50	303.00	3,182
33	Gum Tape	pcs	19.50	170.00	3,315
34	Refrigerant 22 no Gas	pcs	3,100.00	3.00	9,300
35	Rebon	pcs	450.00	1,947.00	876,150
36	Ink 9175	pcs	10,000.00	2.00	20,000
37	Make-up 8188	pcs	2,200.00	2.00	4,400
38	Liquid glucose	Kg	50.60	4,800.00	242,880
39	Titanium Dioxaid	Kg	460.00	25.00	11,500
40	Milk Flavour	Kg	1,025.00	26.00	26,650
41	Butter Flavour	Kg	1,350.00	27.00	36,450
42	Green Mango Flavour	Kg	2,600.00	2.00	5,200
43	Sodium Citrate	Kg	75.00	9.00	675
44	Vanilla Powder	Kg	800.00	9.00	7,200
45	Coco powder	Kg	165.00	25.00	4,125
46	Chocolate Flavor	Kg	1,500.00	25.00	37,500
47	HPKO	Kg	195.00	1,246.00	242,970
48	Butter oil	Kg	195.00	4,754.00	927,030
49	GMS	Kg	200.00	25.00	5,000
50	Salt	Kg	12.00	69.00	828
51	Ceramel color	Kg	850.00	6.00	5,100
52	Soyalichithin	Kg	220.00	204.12	44,906
53	Foil Milk candy	Kg	460.00	186.50	85,790
54	Foil Chocolate candy	Kg	460.00	202.98	93,371
55	Foil Fazlee candy	Kg	460.00	134.96	62,082
56	candy jar 100 pcs	pcs	8.00	5,000.00	40,000
57	Label milk candy 100 pcs	pcs	2.65	13,970.00	37,021
58	Label chocolate candy 200 pcs	pcs	2.95	5,098.00	15,039
59	Label chocolate candy 100 pcs	pcs	2.65	5,000.00	13,250
60	Label Fazlee candy 250 pcs	pcs	2.65	3,655.00	9,686
61	Ctn Milk candy 15 Jar x200 pcs	pcs	36.00	343.00	12,348
62	Ctn Chocolate candy 15 Jar x200 pcs	pcs	36.00	949.00	34,164
63	Ctn candy 24 jar x100 pcs	pcs	27.00	1,270.00	34,290
64	CTN Pouch 50 pcs	pcs	38.00	309.00	11,742
65	Gum tape 1''	pcs	12.00	189.00	2,268
66	Gum tape 2''	pcs	19.50	441.00	8,600
67	HDP Poly bag 24x36	pcs	5.00	566.00	2,830
68	Poly pouch milk candy	Kg	544.00	162.16	88,215
69	Poly pouch chocolate candy	Kg	544.00	180.38	98,127
Total					**28,757,097**

2.00 Finished Goods (FG) :

Sl. No.	Item Name	Unit	Rate	Qty.	Value
1	RD Laccha shemai	Pkt	17.00	35,139.00	597,363
2	Butter oil 2 kg	pot	600.00	1,268.00	760,800
3	Butter oil 1 kg	pot	320.00	1,451.00	464,320
4	Butter oil 500 Gram	pot	165.00	1,971.00	325,215
5	RD Milk 500 ml	Pkt	22.00	75,220.00	1,654,840
6	RD Milk 200 ml	Pkt	10.50	113,753.00	1,194,407
7	RD Mango Milk 200 ml	Pkt	11.00	86,282.00	949,102
8	RD Ghee(Loose)	kg	390.00	98.50	38,415
9	RD Ghee 500 ml	kg	245.00	1,677.00	410,865
10	RD Ghee 200 ml	Kg	110.00	2,263.00	248,930
11	RD Milk Candy 200 pcs jar	pcs	0.56	1,577,895.00	883,621
12	RD Milk Candy pouch 50 pcs	pcs	0.56	566,320.00	317,139
13	RD Chocolate Candy 200 pcs jar	pcs	0.56	230,578.00	129,124
14	RD Chocolate Candy 100 pcs jar	pcs	0.56	125,670.00	70,375
15	RD Chocolate Candy pouch 50 pcs	pcs	0.56	578,530.00	323,977
16	RD Fazlee Candy 200 pcs jar	pcs	0.56	2,225,366.00	1,246,205
	Total				**9,614,698**

VI. In note 6.00 the following para is to be added:

- There have been no receivables outstanding for the period exceeding six months.
- There is no such debt due by or to directors or other officers of the company
- There is no such debt due by the directors and officers within the common management of the company.

VII. **In note 7.00 the following para is to be added:**

c. There are no such advances due by or to within the common management of the company.

VIII. **In note 7.00 the following para is to be added:**

d. **Details of Advance to Parties**

Particulars	April 30,2010	December, 09
Badal Enterprise	47,000	1,414,615
Bengal Electric	246,000	246,000
Basic Engineering	2,163,000	2,960,000
ESS Paper & Packaging	1,903,032	-
Kawser Enterprise	-	795,385
Mr.Abdul Hamid (SPO)	561,620	561,620
Mr Abu Bakkar Siddique	4,000	4,000
IBS Metal	88,770	88,770
Abdur Razzak & Brothers	479,000	780,000
Mr.A Hossain Babu	200,000	200,000
Estern Traders	345,000	345,000
Mr. Amzad Hossain	25,800	25,800
Mr. Asraf	1,058,198	1,058,198

Mr. Gulzar Hossain	200,000	200,000
Mr. K M Sanower	51,964	52,840
Mr Lal Miah	228,350	228,350
Mr. Nzrul	290,200	290,200
Mr Pappu	200,000	200,000
Mr. Salam	896,000	1,100,000
Chowdhury Enterprise	2,760,000	3,900,000
DITF,	169,725	169,725
Power Trade Building Product	400,000	1,960,000
Saheen Enterprise	2,140,000	2,500,000
Mr. Rashed	8,000	40,000
Nobel Technology	30,000	30,000
Issue Management fee	500,000	-
S K Builder	110,000	110,000
Sumon Engineering	3,564,256	2,500,000
Supersign Cable	348,494	-
Top Speed	-	1,660,000
United Engineering	3,300,000	300,000
Total	**22,318,409**	**23,720,503**

IX. **In note 3.15 the following para is to be added:**

"The nature of the transaction was "provision of working capital finance" for which no agreement was made between the parties and no interest payments were negotiated in this regard."

X. A note will be included under (e) in note 12 to the Accounts as "The amount shown in Remuneration payable is to the Chairman and Managing Director".

XI. Remuneration payable shown in note 20.01 was subsequently paid.

XII. Under clause 148 of articles of association allows the remuneration taken by Chairman.

Sd/-

Place: Dhaka
Date: 02 October 2010

SYFUL SHAMSUL ALAM & CO.
CHARTERED ACCOUNTANTS

Additional disclosure of Auditors on Negative Balance of Sundry Creditors (Notes – 09) of the Financial Statements of Rangpur Dairy and Food Products Limited for the period ended 30th April 2010 as per requirement of Dhaka Stock Exchange Limited (DSE)

Negative balances in the creditors represent the temporary advances paid to the common suppliers of the company which is adjusted with the actual supply within shortest possible time. All the figures shown in the balance sheet date have been adjusted subsequently.

Sd/-

Place: Dhaka
Date: 20 December 2010

SYFUL SHAMSUL ALAM & CO
CHARTERED ACCOUNTANTS

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.

Rangpur Dairy & Food Products Limited

Application form

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHI(S)

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

Banker's Sl. No.

The Managing Director & Director
Rangpur Dairy & Food Products Limited
22/19 Khiljee Road
Mohammadpur, Dhaka-1207

I/we apply for and request you to allot me/us the ……….number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company and deposit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:-

1. No. of Ordinary Shares……………………………………………………..……………..............……… of Tk……................... each
2. Amount of Tk.(in figure), ……………………..…………,Taka (in words)……….............…………….….……………………..……….only
   deposited vide Cash/Cheque/Draft/Pay Order No……..………………………….……..……..Dated……...............………………………….
   on ……….…………..……….Bank………...……..……………………...….Brach……….…..…………….............………………..…….
3. Depository (B/O) Account Number ……………..………………...…....……………………….…............…………………..………….
   (If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)
4. I/we agree to fully abide by the instruction given herein.
5. Particulars of Applicant(s).

a) Sole/First Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation:	Nationality:
For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch:	
For refund purpose: I/we want refund through □ Bank account* □ Hand delivery/ Courier (Please put marks in which refund will be made)	
For refund warrant: Applicant's Bank A/C No.	
Name of the Bank:	Branch:

. *The applicant shall provide with the same bank account number in the application form as it is in the B O account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.*

b) Second Applicant

Name:	
Father's /Husband's name:	
Mother's name:	
Postal address:	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of '**Rangpur Dairy & Food Products Limited'**, and have willingly subscribed for ………no of shares of Tk....................... per share on this form.
7. Specimen Signature(s):

Name (in block letters)	Signature:
(ii)Name (in block letters)	Signature:

*In case of deposit into the applicant's bank account, the applicant will bear the applicable charge, if any, of the applicants banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

…………………………………………………………………………………………...………...…………………………………

BANK'S ACKNOWLEDGMENT

Certified that this bank has received Tk………..……………...…….(in word)………..……………………….………………….. only from Mr./Mrs./Ms……………………………………….………..being the Application Money for ………………..nos. Ordinary Shares of Rangpur Dairy & Food Products Limited.

Banker's Sl. No. **Seal and Date** **Authorized Signature (Name & Designation)**

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200** ordinary shares and must be for a multiple **of 200** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"RANGPUR DAIRY & FOOD PRODUCTS LIMITED"** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where any amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Securities and Exchange Commission.
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.

Bankers to the Issue

NCC Bank Limited	**One Bank Limited**	Dilkhusha Corp. Br. Dhaka	Bhulta Br., Narayangonj
Motijheel Br. Motijheel, Dhaka	Principal Branch, Dhaka	Principal Br. Dhaka	CDA Avenue Br., Chittagong
Dilkusha Br. Dhaka	Kawran Bazar Br. Dhaka	Millenium Br. Dhaka	Cox's Bazar Br.
Kawran Bazar Br. Dhaka	Mirpur Br. Dhaka	Progati Sarani Br. Dhaka	Comilla Branch
Mirpur Br. Dhaka	Dhanmondi Br. Dhaka	Kafrul Br. Dhaka	Goran Business Center, Dhaka
Dhanmondi Br., Dhaka	Ganakbari (EPZ) Br., Dhaka	Uttara Corporate Br., Dhaka	Khilgaon br., Dhaka
Mitford Br., Dhaka	Progoti Sharani Br., Dhaka	Savar Cant. Br, Dhaka	KDA Avenue Br., Khulna
Nawabpur Road Br., Dhaka	Elephant Road Br., Dhaka	S.S. Cantt. Br, Tangail	Mirpur Br.,Dhaka
Foreign Exchange Br., Dhaka	Nowabgonj Br., Dhaka	Ashugonj Br. Brahmanbaria	Savar Bazar Br.,Savar
Malibagh Br., Dhaka	Joypara Br., Dhaka	Joydebpur Br, Gazipur	Uposhahar Br.,,Shlhet
Moghbazar Br., Dhaka	Motijheel Br. Motijheel, Dhaka	Chittagong Cantt. Br., Chittagong	
Jatrabari Branch, Dhaka	Gulshan Br. Dhaka	Naval Base Br, Chittagong	
Gulshan Br. Dhaka	Uttara Br. Dhaka	Beanibazar Br., Sylhet	
Uttara Br. Dhaka	Banani Br. Dhaka	Khwaja Younus Ali Medical College & Hospital Br, Sirajgonj	
Banani Br. Dhaka	Kakrail Br., Dhaka	Rangpur cant. br, Rangpur	
Babubazar Br., Dhaka	Imamganj Br. Dhaka	Tongi Br, Tongi	
Bangshal Br. Dhaka	Jatrabari Br., Dhaka	Feni Br. Feni	
Elephant Road Br., Dhaka	Bangshal Br., Dhaka	Narsingdi Br., Narsigndi	
Pragoti Sarani Br., Dhaka	Narayangonj Br. Narayangonj	Jalalabad Cant. Br., Sylhet	
Savar Br, Dhaka	Agrabad Br. Chittagong	Momenshahi Cant. Br., Mymensingh	
Islampur Br, Dhaka	Cox's Bazar Br., Chittagong	Bogra Cantt.Br. Bogra	
Bijoynagar Br, Dhaka	CDA Avenue Br., Chittagong	Comilla Cantt. br, Comilla	
Shyamoli Br, Dhaka	Khatungonj Br. Chittagong	Khulna Br, Khulna	
O.R..Nizam Road Br., Chittagong	Jubilee Road Br. Chittagong	Jessore Cant.Br. Jessore	
CEPZ Br. Chittagong	Nanupur Bazar Br., Chittagong	**Bank Asia Limited**	
Jubilee Road Br. Chittagong	Feni Br. Feni	Principal Office Branch, Dhaka	
Khatungonj Br., Chittagong	Raipur Br., Lazmipur	MCB Dilkusha Branch, Dhaka	
Cox's Bazar Br., Chittagong	Chandragonj Br., Lakshmipur	Corporate Branch, Dhaka	
Agrabad Br. Chittagong	Dagon Bhuiyan Br., Feni	MCB Banani Branch, Dhaka	
Anderkilla Br, Chittagong	Chowmuhuni Br., Noakhali	Gulshan Branch, Dhaka	
Halishahar Br, Chittagong	Sylhet Br., Sylhet	Agrabad Branch, Chittagong	
Kadamtali Br, Chittagong	Islampur Br., Sylhet	North South Road Br., Dhaka	
Majhirghat Br, Chittagong	Sherpur Br., Moulivi Bazar	Scotia Branch, Dhaka	
Feni Br. Feni	Bogra Br. Bogra	Mitford Branch, Dhaka	
Rajshahi Br., Rajshahi	Jessore Br. Jessore	Uttara Branch, Dhaka	
Laxmipur Br., Laxmipur	Siraigonj Br., Sirajgonj	Dhanmondi Branch, Dhaka	
Rangpur Br., Rangpur	Ramgonj Branch, Laxmipur	Sylhet Main Branch, Sylhet	
Chowmuhuni Br., Noakhali	Banasree Br. Banasree Dhaka	Bashundhara Branch, Dhaka	
Joydevpur Br, Gazipur	Laksham Br, Laksham Comilla	MCB Sk. Mujib Road Br., Chittagong	
Madaripur Br, Madaripur	Maijdee Court Br. Noakhali	Sylhet Uposhahar Branch, Sylhet	
Tangail Branch, Tangail	**Eastern Bank Limited**	Kamal Bazar Br, Chittagong	
Laldighirpar Br., Sylhet	Principal Br., Dilkusha, Dhaka	Khatungonj Branch, Chittagong	
Moulivi Bazar Br., Moulivi Bazar	Motijheel Br. Motijheel, Dhaka	Shantinagar Branch, Dhaka	
Bogra Br. Bogra	Mirpur Br. Dhaka	Bahadderhat Branch, Chittagong	
Jessore Br. Jessore	Bashundhara Br., Dhaka	Jessore Branch, Jessore	
Naogaon Br., Naogaon	Shyamoli Br., Dhaka	Moghbazar Branch, Dhaka	
Khulna Br, khulna	Narayangonj Br., Narayangonj	CDA Avenue Br., Chittagong	
Chowhatta Br., Sylhet	Agrabad Br. Chittagong	Station Road Br., Chittagong	
Comilla Br, Comilla	Khatungonj Br. Chittagong	Progoti Sarani Br, Dhaka	
ICB	Bogra Br., Bogra	Khulna Branch, Khulna	
Head Office (NSC Tower), Dhaka	Khulna Br., Khulna	Mohakhali Branch, Dhaka	
Chittagong Br. Agrabad,Chittagong	Rajshahi Br., Rajshahi	Mirpur Branch, Dhaka	
Rajshahi Br. Rajshahi	Jessore Branch	Anderkilla Branch, Chittagong	
Khulna Br. Khulna	Choumuhoni Branch	Bogra Branch, Bogra	
Barisal Br. Barisal	Savar Branch	Rajshahi Branch, Rajshahi	
Sylhet Br. Sylhet	Moulvi Bazar Branch	Ishwardi Br, Pabna	
Bogra Br. Bogra	**Trust Bank Limited**	**Dhaka Bank Limited**	
Local Office Br. Dhaka	Radisson Water Garden Hotel (RWGH) Br, Dhaka	Bangshal br., Dhaka	

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the issuer and the issue manager.

RANGPUR DAIRY & FOOD PRODUCTS LIMITED

Application Form

Application for shares by non-resident Bangladeshi(s)

(To be sent directly to the company's corporate office)

Warning: *Please read the instructions at the back of this form. Incorrectly filled applications or failing to comply with any of the instructions there in, application may be rejected.*

The Managing Director & Director
Rangpur Dairy & Food Products Limited
22/19 Khiljee Road
Mohammadpur, Dhaka-1207

I/we apply for and request you to allot me/us the following number of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon the terms of the Company's approved Prospectus and subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Members of the Company as the holder(s) of…………..Shares allotted to me/us pursuant to his application and credit the said shares to my BO (Beneficiary Owner) Account and/or a Crossed (Account Payee only) Cheque in respect of any application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Shares………………………………………………………………………………………… of Tk……………... each per share.
2. Amount of Tk. (in figure). ……………………………….….. (in words)……………................………………..……………..………….only
   Convertible into US Dollar 1.00 =Tk ....………………UK Pound Sterling 1.00 =Tk. and Euro 1.00 =Tk…...............……………………..…
3. Payment by cheque/draft no.…………...……………….....…….dated…....……………………..for US Dollar or UK Pound Sterling or Euro or Tk……….…………………..…..….drawn on……………………..…………Bank……………………………………………..…….Branch.
4. Depository Owner (B/O) Account Number……………………......……………..……….……………….....………..………………..
   (If you do not mention your valid BO (Beneficiary Owners) account, your application will be treated as invalid)
5. I/we agree to fully abide by the instruction given herein.
6. Particulars of Applicant(s).

a) **Sole/First Applicant**

Name:	
Father's /Husband's name:	
Mother's name:	
Mailing address:	
Occupation:	Nationality:
Passport No.	Valid up to:
Date of Birth	
For refund warrant (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch:	
For refund warrant: Applicant's Bank A/C No.	
Name of the Bank:	Branch

The applicant shall provide with the same bank account number in the application form as it is in the B O account of the applicant. Otherwise the application will be considered invalid and the subscription money may be forfeited.

b) **Second Applicant**

Name:	
Father's /Husband's name:	
Mother's name:	
Mailing address:	
Occupation:	Nationality:
Passport No.	Valid up to:
Date of Birth:	

Nominee:

Name:
Mailing Address:

7. I/we hereby declare that I/we have read the Prospectus of **"Rangpur Dairy & Food Products Limited",** and have willingly subscribed for …...……no of shares of Tk………….. each per share on this form.
8. Specimen Signature(s):

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant:		
Nominee:		

Instructions:

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.

2. All information must be written or typed in block letters in English and must not be abbreviated.

3. An application must not be for less than 50 Ordinary Shares and must be for a multiple of 50 ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.

4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "RANGPUR DAIRY & FOOD PRODUCTS LIMITED" and crossed "Account Payee only".

5. An application shall be sent by the applicant directly to the Company by 15.09.2011 so as to reach the Company by 24.09.2011 Applications sent after 153.09.2011 or received by the Company after 24.09.2011 will not be considered for allotment purpose.

6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.

7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by SEC.

8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.

9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.

10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.

11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.

12. The intending NRB applicants shall deposit share money by US$/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking **"Account Payee only"**. So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer company's account in time.

13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.

14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.

15. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).

16. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.

17. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.

18. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S DHAKA OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

Credit Rating Report
Rangpur Dairy & Food Products Limited

Ratings

Long Term	: A_3
Date of Rating	: 16 June 2010
Valid Till	: 31 October 2011

The Company follows Jan-Dec for its financial reporting. FY09 refers to January 09 to December 09.

Analysts:

Niaz Ahmed
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Sajjad-Bin-Siraj
Financial Analyst
sbsiraj@crab.com.bd

Financial Highlights

BDT in Million

Particulars	FY10	FY09	FY08	FY07
Months	(4)	(12)	(12)	(12)
Revenue	97.66	292.89	244.02	117.72
Total Assets	527.18	409.46	390.70	333.43
Net Worth	295.67	278.41	233.43	206.39
Long Term Liabilities	50.22	50.55	54.01	57.81
Debt Ratio (x)	0.39	0.37	0.53	0.55
ROA	16.72%	43.26%	39.32%	17.58%
Net Profit Margin	17.71%	14.20%	11.10%	7.89%
EBITDA/Sales	28.94%	25.30%	23.97%	29.01%
Borrowed Fund to EBITDA (x)	4.08	1.40	2.13	3.35
Times Interest Earned (x)	7.54	5.02	3.65	2.53
Quick Ratio (x)	0.85	0.87	0.4	0.38
Collection Period (Days)	33	15	1	-
Inventory Days	53	52	55	109

■ PROFILE

Established in March 2004, Rangpur Dairy & Food Products Ltd. (hereinafter referred to as 'RDFPL' or the Company), a private limited company, started its commercial operation on 14th April 2007 through manufacturing Ultra Heat Temperature (UHT) processed fresh milk, flavored milk such as mango, banana & chocolate, different types of candy and by-products like ghee, butter oil etc. for the local market, having an installed yearly capacity of processing 21.19 million liters. The Company reported profit after tax (PAT) of BDT 41.57 million on revenues of BDT 292.89 million in FY09.

■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned 'A_3' (pronounced Single A Three) rating in the long term to Rangpur Dairy & Food Products Ltd. by reviewing the performance of the Company for FY09 and other relevant information.

RDFPL started its production with UHT technology and successfully managed to introduce UHT processed milk in Bangladeshi dairy market where the market is largely dominated by the pasteurized milk. The rating reflects RDFPL's business growth, industry specific risk, financial performance, and expansion capacity. However, its rating is constrained by relatively lower capacity utilization and higher degree of leverage.

RDFPL managed to demonstrate volume led sales growth since its inception and observed 8.54% growth in FY09. Moreover, the rating took into account the growth pattern of sales in FY08 (107.96%) and in FY09 (20.21%) in a highly competitive dairy products market. Despite the increase in raw milk price and packing material price, EBITDA margin has slightly increased (EBITDA margin increased to 25.30% in FY09 from 23.97% in FY08).

Gearing was low in FY09 with debt/equity of 0.37x, debt/EBITDA of 1.40x and net cash accruals to total debt of around 62.18%. RDFPL has not taken any bank loan in FY09 as it plans to go for IPO. However, the Company took BDT 49.75 million as inter-company loan from its sister concerns throughout the year for smooth operation.

The rating also considers the coverage positions of RDFPL in FY09 (TIER: 5.02x;

DSCR: 4.87x; cash flow coverage ratio: 6.30x). CRAB views that the present coverage position will not be pressurized; as a further borrowing is not likely hence it would positively impact on coverage indicators. Further expansion (as reflected its present capacity utilization level) through additional borrowed fund may impact the cash flow.

RDFPL has a sanctioned fund based working capital limit of BDT 10 million with maximum utilization of 100 % as on 3rd August 2010. The Company may further increase working capital limit from the bank, which would lead to moderate liquidity risk.

CRAB expects working capital requirements and utilizations to remain high in the short to medium term due to the nature of business. However, extending bank loans in addition to existing limits could provide financial flexibility in the short term and proposed IPO proceeds may provide further flexibility in the medium to long term. It is expected that the financial leverage would be decreased after the IPO proceeds because IPO funding will be used to remove the packaging capacity shortfall. Credit metrics and debt coverage indicators may improve after FY11 due to lack of significant capex, an increase in revenue & profitability from sustained growth and the realization of capex benefits.

The rating also takes into account the level of expertise of the sponsors behind establishing & managing such a UHT technology led dairy factory which called for employment of team of experts vis-a-vis promoters' consciousness.

CRAB believes that RDFPL will be able to enhance its existing business profile. Therefore, RDFPL is likely to sustain its present financial risk profile, despite intense competition in the fast-moving consumer goods (FMCG) industry. The outlook may be revised to 'Negative' if it is exposed to disruptions in the supply of raw materials due to adverse environmental conditions.

Key Rating Drivers

- A positive trigger would be demonstration of business growth vis-a-vis improvement in credit metrics on a consistent basis and a higher capacity utilization rate in the upcoming years while maintaining quality.
- A negative trigger could arise from deterioration in credit metrics; debt/EBITDA deterioration on a consistent basis and larger than anticipated increase in working capital requirements.

■ COMPANY PROFILE

Rangpur Dairy & Food Products Ltd. was incorporated as a Private Limited Company on 6th March, 2004 for manufacturing and marketing of UHT processed fresh milk and flavored milk i.e. mango and banana, Ghee, Butter Oil, Candy & Lacha and started commercial operation on 14th April, 2007 through establishing its factory at Salaipur, Baldipur, Rangpur on 935 decimal land owned by the Company. As of 31 December 2009 the authorized capital of the Company was BDT 250 Million and paid up capital was BDT 197.16 Million. Two directors of diverse background own the Company. The principal activities of the Company throughout the year continued to be manufacturing and marketing of UHT fresh milk and its by-products. Its production capacity was estimated 60,000 Ltr. per day with two shifts of operation. The brand name of the milk is "RD Milk".

Major Milestones of the Company

2004	: Incorporated
2005-06	: Under construction
2007	: Started commercial operation with 9,500 Ltr. per day
2008-09	: Expansion of production capacity by 10,000 Ltr. per day by establishing 4 new chilling centers; Total capacity reached to 19,500 Ltr. per day; packing capacity: 25,000 Ltr./day
2010	: Plan to setup 25 more chilling centers having capacity of 1000-2000 Ltr. each, 2 nos. Brick Aseptic Packaging Machine (IPI/Tetra) and improvement in utility sector especially boiler, compressed air, water treatment plant & Ice Bank Tank from issuing IPO which will lead to higher growth.

■ SISTER CONCERN OF RDFPL

Power Trade Engineering Ltd (PTEL) incorporated in 1994 and Bidisha International Ltd (BIL) incorporated in 1992 formed Concrete and Steel Technologies Ltd (Constech) having equity in 50:50 ratio in 2003 to tap the business potentials in the fast growing telecommunication sector. Since then Constech has been working as Civil Contractor supplying and erecting telecom towers for various telecom operators in Bangladesh. Constech provides total engineering solution covering site acquisition, construction of infrastructure, making of Telecom tower, installation and commissioning of BTS and Microwave Equipments for all the telecom Operators.

With the objective of diversifying the business, sponsors of Constech formed Rangpur Dairy and Food Products Ltd in 2004 to expand its business in consumer food products segment. In this way, the sponsors of RD Milk either individually or jointly expanded their business into manufacturing of 100% export oriented bicycle, building infrastructure & network towers, trading of tyre and lubricant, rectifier module, network related parts and battery for telecom sector and UHT Processed Milk.

Exhibit 01: Financial highlights of sister concerns of RDFPL as of 2009

BDT in Million

Sl. No.	Name of the Company	Incorporation Year	Business Activities	Reporting Year	Total Sales	Total Operating Income	Net Profit	Total Asset	Total Debt	Net Worth	Total Net Asset	Debt / Equity Ratio	Net Profit Margin
1	Constech	2003	Telecommunication Infrastructure Development Contractor	30.06.09	600.6	92	22.1	951.9	540	375.3	352.4	1.44	3.68%
2	Plus Distribution Co(Pvt) Ltd.	2003	Tyre & Lubricant	31.12.09	44.2	7.26	3.11	24.57	8.1	13.9	14.67	0.58	7.00%
3	Power Trade Engineering Ltd.	1995	Telecommunication Infrastructure Development Contractor	30.06.09	261	22.8	16.7	150.7	29.6	102.6	102.6	0.29	6.39%
4	BSMC Power Systems (BD) Ltd.	2005	Manufacturer of Rectifier Module	30.06.09	39.3	4.33	3.7	22.7	2.6	11.4	12.7	0.23	9.41%
5	Bidisha International Ltd.	1992	Civil Contractor & Importer	30.06.09	181.1	20.8	14	85.8	22.2	48.8	48.8	0.45	7.73%

Exhibit 02: Bank borrowings of the other concerns of RDFPL as on 2009

BDT in Million

Sl. No.	Name of the Company	Name of the Bank	Branch	Nature of Credit	Sanction Limit	Outstanding
1	Constech	Southeast Bank Ltd.	Banani	SOD	260	260
2	Plus Distribution Co(Pvt) Ltd.	NCC Bank Ltd.	Motijheel Main Br.	LIM	15	8.8
3	Powertrade Engineering Ltd.	Exim Bank Ltd.	Ashulia Br.	SOD	35	35
4	BSMC Power Systems(BD) Ltd.	Southeast Bank Ltd.	Banani	SOD	5	26
5	Bidisha International Ltd.	Prime Bank Ltd.	Motijheel Foreign Exchange	SOD	150	31

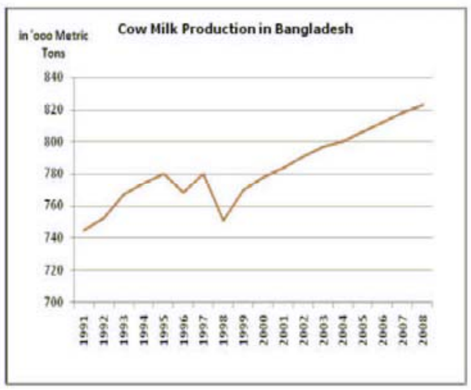
■ INDUSTRY ANALYSIS

The Dairy Milk Products Industry was initiated in 1946 through the set up of the first dairy plant in Sirajgonj. Milk and Dairy product marketing actually started in 1952 under Milk Vita Name. The industry fostered with the initiation of Milk Vita Cooperative Dairy Complex in 1973. Currently, there are about 14 large firms operating in the industry, along with many local Small operators. At present, milk products contribute to 3.1% of Agro Sector GDP and 0.5% of total GDP (2007-08). Historically Milk Products grew at a rate of 1.18% annually (from GDP at Constant Prices). In Year 2007-08, contribution from this industry to the economy was BDT 25,028 million.

Cow Milk Production in Bangladesh

Year	Production (MT)	Year	Production (MT)
1991	744752	2000	778000
1992	752377	2001	784000
1993	767198	2002	791000
1994	774000	2003	797000
1995	780000	2004	800000
1996	768000	2005	806000
1997	780000	2006	812000
1998	751000	2007	818000
1999	770000	2008	823000

Source: FAO



Historically, Milk Vita is the dominating firm in the industry due to its established distribution system and customer base. But since the introduction of private firms like Pran, BRAC and others, Milk Vita's monopoly has been a bit shaken. Yet, Milk vita is the industry leader in terms of capacity and Market Share, followed by Aarong-BRAC dairy and PRAN. All the productions are used to meet the slowly growing local demand. Due to inadequate supply, Bangladesh has to import approximately 15% of local milk supply from countries like China, Netherland, New Zealand etc., mainly in powder form. However, the key drivers in the industry have been input costs variability, distribution channels and imported substitutes.

Input costs mainly cover purchase price of raw milk and transportation. Fortunately price variability is lower here as all the producers have to purchase the raw milk at a preset rate by the govt., and all major firms engage in agreements with milk producers i.e. farmers to purchase at a fixed price. The prices are based on level of fat in milk, and are often subject to seasonal variability in milk supply, especially in winter. Growth in raw milk price in Dhaka has been 3.40% CAGR over the period 1999-2008.

The direct cost of transportation is not an important factor and is relatively predictable for a firm. But one of the major costs is loss from spoiled milk, distribution problem due to poor infrastructure and multifold effects of the middlemen increasing costs to consumer. Especially due to poor infrastructural support, firms cannot establish a proper and stable supply chain management system. This results in higher costs in collecting milk from cow and buffalo owners (CBO), higher operating costs of chilling plants locating near to the milk producing areas, and higher costs resulting from spoilage of milk.

The amount of import is quite small relative to local production. Yet they form a considerable level of impact on local producers' performance. Being a substitute to liquid milk, and due to heavy advertisement, imported powder milk often competes with liquid milk on a level basis, especially in urban areas. But two recent events have made it more favorable for liquid milk producers. Firstly, the high level of tariff imposed on milk powder imports has decreased imports over the years. Secondly, the discovery of melamine in milk produced by China, which is a source of import for Bangladesh, has significantly reduced demand of powder milk and helped the liquid milk producers.

The milk industry has a few segments. Firstly, there are Fresh milk and powder milk. Secondly, there is a flavored milk segment. Finally there are milk by-products like Ghee, Butter etc. among these segments, liquid and powder milk segment is the largest and is quite competitive. Competition between liquid and powder milk is based on both price and quality, and they act as substitutes. While powdered milk importers focus on creating brand image, the liquid milk producers focus on the issue of purity and freshness of milk. Among the liquid milk producers, the two broad categories are Pasteurized and UHT milks. These two are basically different process of purifying milk from bacteria. In Bangladesh, all but three plants are pasteurization plants. These plants require less fixed capital compared to UHT plants. But UHT plants provide products with longer shelf life and better quality. Still, UHT processed milk is a new concept to local users and will take some time before establishing a solid position.

In Bangladesh, Milk Vita cooperative society is by far the largest organization of milk producers. This organization has some influence over the operation of Milk Vita, but has not much power in the overall market. There are also local small cooperative organizations that unite local CBOs with a motive to getting a better price of the milk sold.

Historically the Govt. has been playing a role in the market by providing subsidy to Milk Vita. Increase in duty on powdered milk imports would decrease imports, thus favoring the local firms. Further, Govt. actions requiring test for melamine presence in foreign powder milk imports have decreased foreign imports as well as improved local demand for local products. So, the existing policies may be beneficial for local producers. But considering the fact that local products haven't been successful in meeting total local demands, there is always a possibility that the Govt. will reduce current barrier on imports to meet local demand.

Again milk has a nutrition value to every human being. So the possibility of decrease in demand is less likely but there are certain risk factors in this industry such as availability of raw milk, quality of milk, distribution & marketing which may affect the demand & profitability of any particular company.

■ BOARD & MANAGEMENT

RDFPL is formed by two sponsors. The owners are directly involved in core operation of the business units. Mr. S.M. Fakhar-Uz-Zaman is the Chairman of the Company and Mr. M.A. Kabir is acting as Managing Director. Promoters are not family members and held 59% stake in the company as on 31st December 2009 and another shareholder Mrs. Sultana Parvin holds around 10% of the shares and the remaining 30% shares is held by the Bangladesh Bank, EEF unit. Shareholdings pattern of the Company is given below:

Exhibit 03: Shareholding Position of the Company

Sl. No.	Name	Designation	Holding %
1	Mr. S.M. Fakharuzaman	Chairman	29.57%
2	Mr. M.A. Kabir	Managing Director	29.57%
3	Mrs. Sultana Parvin	Shareholder	10.43%
4	EEF Unit, Bangladesh Bank	Shareholder	30.43%
	Total		100.00%

The Managing Director is supported by one General Manager in overall activities (factory operation). The Company has total permanent workforce of 239 in which 37 are executives and staffs, 78 sales representatives, 112 workers and 12 security guards. Employees for factory positions are recruited by the factory Deputy General Manager who also plays a vital role in case of recruitment in any technical position in the factory. The Company follows board approved service rules.

■ BUSINESS OVERVIEW:

Dairy food products have seasonality and it is seen that sales of fresh milk starts to get momentum one month prior to the ramadan and stays upto the winter season. But the demand of flavored milk stays rather stable throughout the year because of its taste and nutrition. Rangpur Dairy produces different UHT processed liquid milk and by-products of milk targeting only the domestic market. Initially it started its operation with a production capacity of processing 60,000 Ltr. raw milk per day. But due to its poor packaging capacity, it failed to process raw milk more than 25,000 Ltr. per day even in the peak season. This resulted in lower sales and profitability in past years compared to its rivals. Exhibit below shows the performance of the dairy food products business of RDFPL over the last three years.

Exhibit 04: Performance of the UHT processed Milk Business

(Months)	FY09 (12)	FY08 (12)	FY07 (12)
Net Sales (BDT Million)	292.77	243.54	117.11
Domestic Sales (%)	100%	100%	100%
Export Sales (%)	-	-	-
EBITDA (BDT Million)	74.1	58.4	34.0
EBITDA Margin (%)	25.3%	24.0%	29.0%
Milk Sales Volumes			
Installed Capacity (Ltr. in Million)			
Processing Stage (Ltr. in Million)	21.19	21.19	21.19
Packaging Stage (Ltr. in Million)	9.0	9.0	9.0
Total Production (Ltr. in Million)	6.20	5.75	3.44
Total Sales (Ltr. in Million)	6.23	5.74	3.35
Capacity Utilization (%)			
Processing Stage (Ltr. in Million)	28.0%	26.0%	16.0%
Packaging Stage (Ltr. in Million)	69.0%	64.0%	38.0%
Market Price per Ltr. (BDT)	52.0	52.0	44.0

All the revenue of RDFPL in FY09 was derived from domestic sales proceeds as export is not possible due to its low utilization of capacity. Raw milk prices have been stable in the last few years since the milk price is stipulated by the Govt. As a result all the manufacturing firms are bound to buy raw milk at that price. But in order to increase raw milk collection, RDFPL purchases raw milk based on fat rate and if the fat rate is more than 3, additional 0.60 paisa is paid for 3.33% increase of fat. However, the Company was able to generate 8.54% increase in sales volume in FY09 from FY08 partly due to supply of quality product at lower price.

Govt. policy and regulation also plays a vital role in determining supply and price of UHT and pasteurized milk which totally depend on imports of powder milk and availability of substitute. As Bangladesh imports powder milk from various parts of the world to meet the indigenous demand of milk therefore any restriction from Govt. as a form of duty would increase the price of powder. This leads to shortage of supply in the local market.

Rangpur Dairy has a limitation on packaging unit and at present there is only one packing machine capable of packaging around 25,000 packets per day. Moreover, there is no local supplier of main packing raw material i.e. Poly Film and hence the Company is left with no option but to import those materials from abroad with a little price variation.

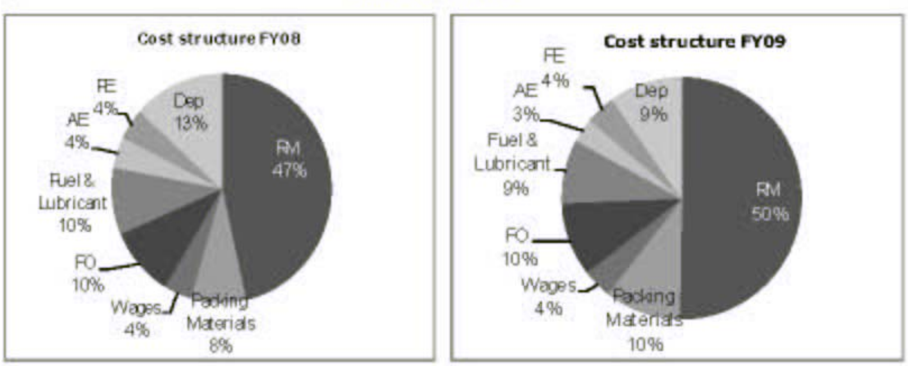
This business remains highly sensitive to raw milk availability, since all the milk producing companies in Bangladesh market needs to collect huge quantity of raw milk daily to run the operation. As the chairman is a famous political figure of that region and as such possess a good reputation, therefore it will be able to procure raw milk from Rangpur zone in high quantity.

- **Raw Materials**

The prime raw material of RDFPL is raw milk and it is procured mainly from chilling centers located in neighboring districts like Badargonj, Holdibari, Razarhat, Kawnia, Shatmatha, Polashbari, Kallie and Pachbibi as well as from Rangpur town. It is mentionable here that the price of raw milk remained constant throughout FY09 and the price of packaging materials also remained same even though these materials were procured from outside Bangladesh.

As an aggregate impact, cost of goods sold as percentage of net revenue dropped to 67% in FY08 from 68% in FY08, resulted in improvement in efficiency in cost structure and gross margin.

Cost Structure



The cost of raw material constituted nearly 50% of total cost structure in FY09 which was around 47% in FY08 and this increase was basically due to the higher demand. The stability in raw material prices did not affect the cost structure. The contribution of packing materials in FY09 was about 10% which was around 8% in FY08 due to the increase in demand which led to higher sales volume in FY09. In FY09 cost structure, fuel & lubricant cost contributed 9% of total cost which was 10% in the previous year. The fuel & lubricant cost is expected to increase alongside its achievement in higher capacity utilization.

Considering the short presence and small scale of operation of Rangpur Dairy in the industry, it has the financial capability to buy and stock raw material, if required at bulk quantity. But milk is a perishable item and therefore needs to be preserved in chilling condition after collecting from gowalas or milkman otherwise there is always a chance of spoilage. The Company is still operating far below the capacity utilization level only due to its constraint packaging capacity and less number of chilling centers. On the contrary, the finished products is getting longer shelf life i.e. 90 days since it is UHT processed and the quality of products remains intact and pure as the 3.5% fat rate is maintained throughout and the price is charged lower than the pasteurized milk.

Admin and Selling & Distribution expenses were quite low and remained stable over the period, however increase in depreciation allowances indicated its capacity expansion.

- **Production Process and Process Loss**

Name of the Process	Input material name	Input material Quantity	Output material	Output material Quantity	By-Products
Fresh Milk 500 & 200 ml	Raw Milk	5000 Ltr.	UHT Fresh Milk	5000 Ltr.	Ghee, Yogurt, Butter Oil, Candy
Mango Milk 200 ml	Raw Milk Sugar Mango Compound Stabilizer Flavor	4700Ltr. 352.5 Kg 100 Kg 2.5 Kg 0.5 Kg	UHT Mango Milk	5000 Ltr.	Ghee, Yogurt, Butter Oil, Candy
Banana Milk 200 ml	Raw Milk Sugar Banana Compound Stabilizer Flavor	4700Ltr. 352.5 Kg 100 Kg 2.5 Kg 0.764 Kg	UHT Banana Milk	5000 Ltr.	Ghee, Yogurt, Butter Oil, Candy

As presented in the above table, the process gain was within the industry norm and the cream of milk is used to produce other by-products such as ghee, yogurt, sweetmeat, butter oil etc.

- **Quality Control**

With qualified and foreign-trained chemists and modern lab facility, Rangpur Dairy performs pre-sale and post-sale tests for every batch of production. For quality assurance, fresh milk is tested on various stages. Chemists of the Company conduct the comprehensive test on fat, acidity, alcohol, COB (Clot on Boiling) to ensure high quality and to preserve the original taste. After successfully packaging the products, a sample of finished products is stored from every batch. Other than this the authority of BSTI checks the quality of the products once in a year and reports based on that survey.

▪ Utilities

The Company requires un-interrupted power supply in the factory especially to run the machineries. The machineries require minimum 1 hour if it needs to restart resulting from power outage or interruption. Therefore, the factory is run by the two (2) diesel powered generators procured from Bangla Cat having capacity of 500 KVA and 380 KVA to meet the daily requirement of electricity besides REB connection. At present the factory is utilizing 60% of the total power generation capacity from the generators. It is mentionable that the Company purchased diesel powered generators as there is no gas supply in that region.

The Company also requires 10,000 litre of water daily for production and to serve other purposes of the factory, which is met from its own pump facility.

▪ Customer and Distribution Profile

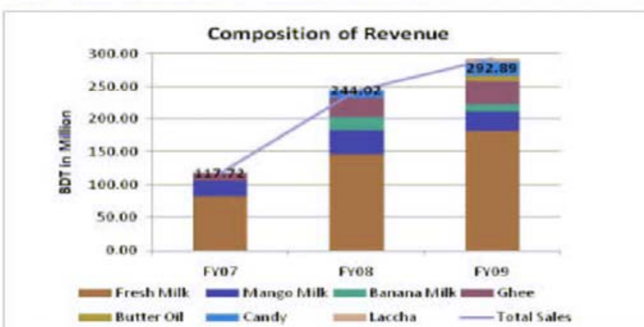
Rangpur Dairy sells its products directly to the corporate offices like NCC Bank, Prime Bank, Southeast Bank, Rahim Afroz, Dominus Pizza etc. and departmental stores like Nandan Mega Shop, Agora, PQS, Mina Bazar, Family Mart etc. as well as through agents and distributors to reach the products at consumer's hand.

	FY09	FY08	FY07
(Months)	(12)	(12)	(12)
Net Sales (BDT Million)	292.77	243.54	117.11
Direct Sales (% of Net Sales)	6%	5%	4%
Sales through Agents/Distributor (% of Net Sales)	94%	95%	96%

▪ Marketing Strategy

Rangpur Dairy Factory is equipped with a fleet of more than 12 vehicles consisting of truck, bulk carrier, milk tanker and covered van. After the production all the products are directly sent to the central depot which is situated at Adabar, Dhaka. Then all the requisition of buying orders is executed from the central depot and sent to the dealers in different regions through its own transport. Mentionable here that almost all the products are sold in cash or check.

Initially Rangpur Dairy started its marketing campaign highlighting only the difference and advantage between the pasteurized and UHT process milk as UHT was relatively a new concept in Bangladesh. Therefore, it targeted hospitals, doctors and other elite class citizens as prospective consumers of its products. The sponsors realized that if they can convey the inherent features and quality of UHT milk to the elite educated class, they would be able to grab more customer base in future.



The above graph represents the revenue composition of RDFPL and it is seen that the Company is consistently generating revenue from selling of fresh milk, mango milk, ghee and candy and their contribution in the total revenue is increasing in every year.

■ Financial Strength Analysis

▪ Earnings and Stability

	FY10	FY09	FY08	FY07
(Months)	(4)	(12)	(12)	(12)
Net Sales (BDT Million)	97.50	292.77	243.54	117.11
Sales Growth	n.a	20.21%	107.96%	n.a
CGSD as % of Net Sales	71.2%	73.1%	74.8%	64.3%
EBITDA (BDT Million)	28.22	74.06	58.39	33.97
EBITDA Growth	n.a	26.8%	71.9%	n.a
EBITDA Margin	29.0%	25.3%	24.0%	29.0%
Net Profit After Tax (BDT Million)	17.27	41.57	27.03	9.24
Net profit After Tax Growth	n.a	53.76%	192.64%	n.a
EPS	87.57	210.84	137.12	46.86

CAGR of Sales (FY07 to FY09)	58.11%
CAGR of EBITDA (FY07 to FY09)	47.65%
CAGR of Net Profit (FY07 to FY09)	112.12%

The amount in net sales is increasing from FY07 to FY09 and it is due to the increase in sales volume which is caused by higher demand. In FY08 the turnover was BDT 243.54 million which was BDT 292.77 million in FY09 registering 21.21% of growth from the previous year. Stable and high sales growth alongside efficiency in operational cost boosted earnings. The net profit after tax reached at BDT 41.57 million in FY09 registering a growth of 53.56% from previous year. However, the four month's sales and profit after tax has also upheld the previous growth.

	FY10	FY09	FY08	FY07
(Months)	(4)	(12)	(12)	(12)
Gross Profit Margin	28.8%	26.9%	25.2%	35.7%
Operating Profit Margin	20.3%	17.5%	15.2%	20.0%
Net Profit Margin	17.7%	14.2%	11.1%	7.9%
Return on Average Asset	16.7%	43.3%	39.3%	17.6%
Return on Average Equity	30.5%	82.4%	62.4%	23.2%

The profitability ratios above indicate the healthy and stable profitability level since FY07 despite charging a discounted price for its products and these ratios will further improve in FY10.

▪ Liquidity

Current ratio & Quick ratio improved significantly in FY09 from FY08. However, the full impact could not be materialized due to the decrease in average collection period from 15 days in FY08 to 0 days in FY09 and decrease in inventory pile up period from 55 days in

FY08 to 52 days in FY09 resulted in increase in cash conversation cycle days to 52 days in FY09 from 16 days in FY08.

	FY10	FY09	FY08	FY07
(Months)	(4)	(12)	(12)	(12)
Current Ratio	1.36	1.34	0.81	0.77
Quick Ratio	0.85	0.87	0.40	0.38
Cash Ratio	0.01	0.01	0.01	0.09
Net Working Capital to Total Assets	4.8%	6.7%	-5.2%	-6.5%
Accounts Receivable Turnover Ratio	3.65	23.34	757.03	-
Average Receivable Collection Period or, DSO (Days)	33	15	0	-
Inventory Turnover Ratio	2.27	7.00	6.64	3.36
Average Inventory Processing Period or, DIO (Days)	53	52	55	109
Accounts Payable Turnover Ratio	12.43	22.47	9.05	6.43
Average Payable Payment Period or, DPO (Days)	10	16	40	56
Cash Conversation Cycle (Days)	76	52	16	53

Total current assets of the Company stood at BDT 108.16 million in FY09, which was BDT 84.02 million in FY08. Due to injection of short-term loan to the tune of BDT 3.34 million over the last one year, outstanding short term loan as of FY09 was BDT 19.86 million from BDT 16.52 million in FY08, contributed to the improvement in quick ratio.

The cash ratio was stable since FY08 due to the lower amount of cash and bank balance in terms of current liabilities. In addition, the company enjoyed working capital limit of BDT 15 million as of 31 December 2009 against which outstanding amount at the same date was only BDT 15.50 million.

▪ Leverage and Capital Structure

RDFPL's capital structure has improved in FY09 due to the retained earnings and internal capital generation. The equity base of the company reached at BDT 278.40 million excluding asset revaluation reserve in FY09 from BDT 233.40 million in FY08 which shows a healthy growth year on year basis and this growth in equity was from internal accruals. It is mentionable here that Net Cash Accruals (NCA) of the Company was BDT 64.37 million in FY09 but the capital expenditure program was BDT 14.71 million in that fiscal year; therefore RDFPL did not need to go for bank financing for executing that capex program. Moderate growth in equity vis-a-vis payment of bank loans in FY09 as long term debt resulted in fell in Debt to Equity ratio (FY09: 0.37x; FY08: 0.53x) and Borrowed Fund to EBITDA (FY09: 1.40x; FY08: 2.13x).

	FY10	FY09	FY08	FY07
(Months)	(4)	(12)	(12)	(12)
Equity (BDT Million)	404.79†	278.41	233.43	206.39
Borrowed Fund (BDT Million)*	115.26	103.51	124.56	113.68
EBITDA (BDT Million)	28.22	74.06	58.39	33.97
Fund Flow from Operation (FFO)	25.59	63.84	48.21	24.71
Cash Flow from Operation (CFO)	27.54	16.44	46.62	87.57
Retained Cash Flow (RCF)	27.54	16.44	46.62	87.57
Free Cash Flow (FCF)	(7.61)	4.74	3.06	7.26
Ratios				
Debt to Equity (x)	0.39	0.37	0.53	0.55
Borrowed Fund to EBITDA (x)	4.08	1.40	2.13	3.35

FFO/Debt	22.20%	61.68%	38.71%	21.74%
CFO/Debt	23.89%	15.89%	37.42%	77.03%
RCF/Debt	23.89%	15.89%	37.42%	77.03%
FCF/Debt	n.a.	4.58%	2.46%	6.39%

* Debt includes inter-company loan

† Equity is inclusive of Asset Revaluation Reserve amounting BDT 109.11 million

The cash flow of Rangpur Dairy was positive since FY07 but Rangpur Dairy is more likely to use IPO proceeds for the forthcoming capital expenditure program for expansion which would improve these leverage ratios further.

▪ Coverage Position

	FY10	FY09	FY08	FY07
(Months)	(4)	(12)	(12)	(12)
EBIT/Interest (x)	7.54	5.02	3.65	2.53
FCF/Interest (x)	4.38	2.01	1.95	3.81
(EBITDA-CAPEX)/Interest (x)	(2.63)	6.11	1.46	(5.00)
DSCR (x)	8.27	4.87	2.08	1.10

Due to the growth in EBITDA and free cash flow and repayment of long term and short term loan, the coverage ratio improved significantly in FY09, which is shown in the exhibit above. Debt service coverage ratio of the company stood at 4.87x in FY09 against 2.08x in FY08. In terms of interest coverage ratio, the earnings of the company against the fixed cost burden was commendable as it increased to 5.02x in FY09 from 3.65x in FY08 due to higher operating profit in FY09. It is also expected that these ratios will improve when IPO proceeds will be obtained from the capital market.

▪ Credit Exposure

The main banker of RDFPL is NCC Bank Ltd., Motijheel Main Branch, Dhaka.

(BDT in Million)

Name of Institution	Type of Loan	Sanction Limit	Date of Sanction	Date of Maturity	Outstanding as on 3 August, 2010
NCC	**Funded**				
	Term Loan (Project)	50.00	28.06.2007	30.06.2013	49.62
	CC	10.00	23.02.2009	23.02.2010	9.99
	Non-Funded				
	LC/LTR	5.00	23.02.2009	-	-
	Grand Total	**65.00**			**59.61**

The Company took funds from one bank in different times & modes over the period of its whole operation. Majority of the bank finances are long-term in nature for project finance, pre-shipment finance & import of machineries purposes. As on 3 August 2010, the company had outstanding term loan of BDT 49.62 million. It also revealed that with significant long term loan, the company has been utilizing the revolving credit limits duly.

-End of Report-

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA_1, AA_2, AA_3* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A_1, A_2, A_3 Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB_1, BBB_2, BBB_3 Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB_1, BB_2, BB_3 Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B_1, B_2, B_3 Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC_1, CCC_2, CCC_3 Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

***Note:** *CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

Additional Disclosure by Management

Workers' Profit Participation Fund and Workers Welfare Fund:
Having a small scale of business activities as a Private Limited company with fluctuating number of workforce, the company did not introduce such funds. However with the conversion into a public limited company, the Board has already decided to introduce it from the current year.

Sd/-
Mr. M. A Kabir
Managing Director

Rangpur Dairy & Food Products Limited

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