

Internship report on  
Financial Process Development, Reporting & Performance Evaluation.

Submitted by

Md Shahriar Anik

Id: 20264001

A research report submitted to the Graduate School of Management in partial  
fulfillment of the requirements for the degree of

Master of Business Administration

Department of Finance

BRAC University

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**Student Information:**

Before working as an intern with Maritime Entrepreneurs Pte Ltd (MEPL BD), I had little or no exposure in the corporate sector. One important thing I learnt as an intern is that in the corporate world, no excuses are accepted when it comes to perform the job responsibilities. Due to the internship, I believe I have acquired a pretty good knowledge of performing the daily responsibilities which has helped me develop a habit of being prompt and on time anywhere, not just only at work.

Student Name : Md. Shahriar Anik

Student ID : 20264001

**Internship Information:**

Internship Period : 1<sup>st</sup> January 2023 to 31<sup>st</sup> March 2023

Company Name : Maritime Entrepreneurs Pte Limited

Division : Finance & Accounts

Address : Asfia Tower, Level 7, Plot 76, Road 11, Block- E, Banani, Dhaka

**1.6 Field Supervisor's Information:**

Field Supervisor Name : Mohammad Rashadul Hasan, FCCA

Supervisor Position : Deputy General Manager, Finance & Accounts

Job Description : Managing Fund Position, Financial Reporting & Overview the Company's Overall Financial Transactions and Provide Feedback on Financial Process Development.

## Declaration

It is hereby declared that

1. The research report submitted is my own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Students Full Name & Signature,



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Md Shahriar Anik

Id: 20264001

Supervisor's Full Name & Signature,

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Dr. Sayla Sowat Siddique, PhD

Date:

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Dr. Mohammad Enamul Hoque

Date:

## **Letter of Transmittal**

10 August 2023

To

Dr. Sayla Sowat Siddique, PhD

Assistant Professor

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on “Financial Process Implementation and Financial Performance Analysis of Maritime Entrepreneurs Pte Limited

Dear Madam,

With due respect I would like to inform you that I am Md Shahriar Anik, Id-20264001 from MBA Department. It has been a great pleasure to have the opportunity to submit my internship report on the practical experience and knowledge gain throughout the internship period according to your given instructions. While complete my internship period and during the submission of this report I came to know the several accounting and finance module such as Purchasing module, sales module, Financial Reporting module, Ratio Analysis and etc. I have tried my best to address those things that I have learned during my internship period and gave my best effort to make the report more meaningful. If any of the part of this report means inappropriate to you kindly share your review and advise me to make the report corrected.

I therefore with hope that you approve my report and and that it demonstrates my abilities to provide internship report to you.

Regards,

Md Shahriar Anik

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## **Executive Summary**

Firstly, I described about myself, my organization where I have done my internship period and about my supervisor details, I have shorty summarized about the Company, their Business Model and their mission and vision statement. Then I discussed Company's organizational Structure. I have highlighted Company's line of Business and nature of the business according to their segment. I also discussed the projects I was assigned to and my contribution to the organization. Here, I stated about the Financial Module and their Financial processes. One of the key parts of my role was identify the risk factor and process development for the company's financial recording. I have analyzed the financial statements and based on the given financial statements I have prepared a vertical analysis where I explained the changes between last year to current year. One of the key financial performance analysis tools is a Ratio analysis. I have tried to calculate some key ratio and explained the potential impact on its financial statements. Based on the ratio analysis, management can overview the company's overall financial situation and take decision. According to my understanding and I have tried to identify the key potential success factor for this company intended to provide my recommendation which may carry benefit for the organization.

## **Chapter 1**

### **Introduction**

#### **1.1 Title of the Study**

“Financial Process Implementation and Financial Performance Analysis of Maritime Entrepreneurs Pte Limited” hereafter “MEPL”

#### **1.2 Background of the Study**

Financial Process and Financial Performance analysis is a major part of Financial Reporting within the Organization. For almost all projects—good and bad—the link between requirements and project success is self-evident: successful projects have a clear understanding of what needs to be built; and unsuccessful projects have consistently failed to produce adequate requirements. Therefore, the objective of this document is to build a scope of work based on the Requirement Analysis done using Maritime Entrepreneurs Pte Limited’s Financial Management tools and methodology.

Maritime Entrepreneurs Pte. Ltd. is the trader of flavors and fragrances. They are involved in servicing all sectors of food, pharmaceuticals, perfumery, personal and household care, paper, paint and other industries of Bangladesh over the last three decades. With the help of technology and keep in mind the needs of the clients and also their demand, they are improving their existing brands by providing high quality service.

Planning, decision-making, estimating the needed effort, setting priorities and many other facets of project management are all fed as the natural by-products of a solid requirements process. The main objective of this report about Maritime Entrepreneurs Pte. Ltd. is to understand the business functionalities and Process Development on Financial Statement preparation and key performance analysis.



## **1.3 Research Objectives**

### **1.3.1 Broad Objective**

The general objective of this study is to examine the impact of Financial Process Implementation and Financial Reporting on Maritime Entrepreneurs Pte Limited's financial performance. MEPL is one of the leading agent and distributor of Chemical's and ingredients to all sectors of Food, Pharmaceuticals, Personal & Household care, Coating, Footwear and many other industries of Bangladesh.

### **1.3.2 Specific Objective**

The specific objectives of the study are:

- To analyze the Financial Changes Between current year and previous year
- Measuring the Financial Capabilities through key Ratio Analysis

## **1.4 Internship Outcome:**

As an Intern, My prime responsibilities were to helping the current employees. And give company day-to-day business procedures, also be a part of brainstorming sessions and meetings or give input and suggestions to the company. Furthermore, my experience during the three months has taught me the importance of effective communication and teamwork skills. When I compare my ability to communicate and cooperate from the start of my internship to the conclusion, I can confidently say that my ability to work in a team, perform under pressure, and communicate has considerably improved. This is because everything here is divided into teams, and employee responsibility is distributed across teams in MEPL. Everyone must work together to reach the best degree of production. As a result, my ability to work in a group and connect with others has significantly increased.

I also learned how to write official letters, emails, predict budgets, and take on new responsibilities. An internship provides the student with firsthand experience, professional opportunities and personal growth. It will also make student more competitive when applying for

jobs. As an intern, student will gain relevant skills to showcase on their resume. After a successful internship, it's common to receive a letter of recommendation or a potential job letter.

**Difficulties & Overcome the Situation:**

It's a pretty normal business scenario that everyone confronts challenges at first, like I did. I always wanted to assess the case first, then go to my coworkers and supervisor to solve the problems. Everyone at my employment was helpful, and they always briefed me on the real circumstance, which I took notes on and implemented while working.

## **Chapter 2: About the Company**

### **2.1 Overview of the Company:**

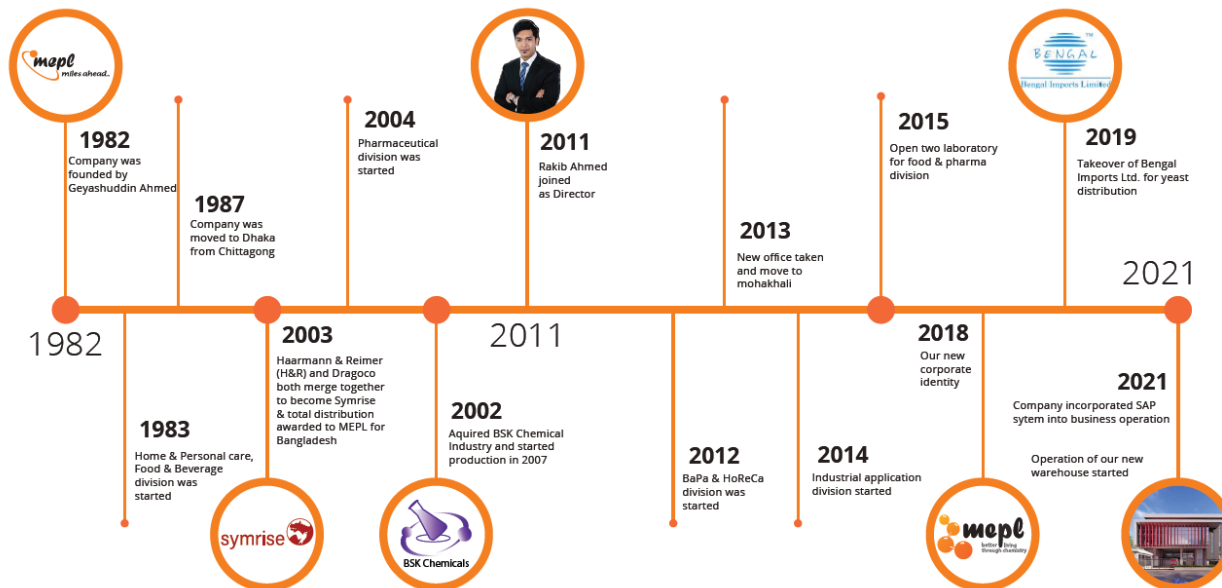
Maritime Entrepreneurs Pte. Ltd. over the past three decades has served every sector of Bangladesh's food, pharmaceutical, cosmetic, and perfumery industries. It serves as a link between the end users and the well-known manufacturers of these industries' raw materials. In 1982, it began with a few flavors and fragrances in a very small office in Chittagong. Mr. Geyashuddin Ahmed, the company's founder, always worked toward achieving "Customer Satisfaction," which is the single most important thing in any business. It currently handles over 55 million worth of ingredients for food, pharmaceutical, and cosmetic products in Bangladesh. It rose to prominence as a leading agent and distributor in Bangladesh thanks to its extensive experience, customer-focused workforce, and industry expertise.

MEPL work with companies that are globally leaders in manufacturing food additives and chemicals. They import their products in Bangladesh and sell to manufacturers of finished products in diversified industries like food, pharma, personal & home care, paint & coating, textiles and footwear to name a few. In other words, they link between the world-renowned raw materials manufacturers for these industries and the end users. It stocks large quantities of raw materials and specialty chemicals in its warehouse for medium and small businesses in addition to large industries that import directly. It additionally offers many benefits added administrations, which incorporates broad specialized help, plan, stock administration. Its objective is to establish a stable business partnership with its Bangladeshi customers and primary foreign supplier. (A. 2019, September 8)

# Our History

Maritime has a long history of B2B distribution and customer services dating all the way back to 1982 when G. Ahmed founded this company. Today, we are distributing all throughout the country for many products in many industries. Over the last decade Maritime has worked on expanding its operation and value-added services to deliver critical solutions to our customers' most demanding challenges.

To learn more, take a closer look at many of these key moments in the company's history.



## 2.2 Mission of the Company:

Mission announces the motivation behind its organization and fills in as the norm against which it characterizes its activities and choices. Its missions are:

- ✓ To help our customers create products that perform better in order to improve lives
- ✓ Strong technical skills that set us apart from the competition
- ✓ To provide professional employees with a challenging and rewarding work environment.

## 2.3 Vision of the Company:

The vision of Maritime Entrepreneurs Pte. Ltd. is to become the chemical distribution company with the most acclaim and esteem across the nation. We want to be the first choice for any chemical manufacturing company looking to grow in Bangladesh.

## **2.4 Value Propositions:**

**Entrepreneurship:** MEPL promotes new ideas. It inspires one to stand out and succeed in the future.

**Togetherness:** It's a household. Everybody cooperates to accomplish what they are hanging around for.

**Integrity:** MEPL values quality and strives to provide clients with the best possible solution.

## **2.5 Nature of Internship:**

Under the Finance & Accounts department at Maritime Entrepreneurs Pte. Ltd, I worked as a Financial Process Implementation Coordinator, one of my responsibilities might be to work with other departments to make sure that the financial procedures and processes are followed correctly and effectively. I will be responsible for overseeing financial reporting's and ensuring that they are finished on time, within budget, and up to quality standards. Also, I will be answerable for giving preparation and backing to workers on monetary arrangements and methods.

## **2.6 Areas of Expertise:**

With more than 35 years of local knowledge and experience, we are one of the leading ingredients and chemical distribution company of Bangladesh. We offer ranges of different products and services to our customers including technical, marketing and logistical support. we are supplying our products to all the industries as per their requirements and specifications. Our success is built upon our knowledge of market reliability, independence and partnerships.

## **2.7 CSR Practices and Standard:**

Corporate Social Responsibilities, or CSR, alludes to the manner by which organizations direct themselves to guarantee that every one of their exercises emphatically influence society all in all. Policies for corporate social responsibility (CSR) aim to ensure that businesses operate in an

ethical manner, considering human rights and the social, economic, and environmental effects of their operations. (Practice Hub Administrator, C. B, n.d.)

MEPL has been able to establish relationships that are productive and healthy. Coming up next is a non-thorough rundown of the offices which we give:

- ✓ A medical room with nurses and doctors on staff.
- ✓ A canteen and dining hall where workers can get lunch and snacks.
- ✓ Men's and women's prayer rooms that are separate.
- ✓ Safe water dispensers can be found all over the factory premises.
- ✓ The prompt payment of benefits and compensation.
- ✓ Yearly cookout for all representatives as a feature of a group building action.
- ✓ Female welfare officers offering advice and raising awareness among employees.
- ✓ Preparing training programs for workers.

## **2.8 Financial Stability**

We can economically empower our employees and teach them how to save and invest their money wisely thanks to our efforts to promote financial responsibility and competence.

Our strategy for financial stability includes:

- Putting in place a money management awareness program with the help of banks and other financial institutions;
- Encouraging employees to save money in a responsible manner;
- Initiating the creation of bank accounts for employees to ensure that their wages are deposited securely.
- Teaching employees how to use the banking system

## **2.9 Safe and Healthy Environment**

There are significant human tragedies and financial losses as a result of a lack of investment in occupational safety and health (OSH). 7,500 workers die each day from work-related causes:

6,500 from sicknesses and 1,000 from work related mishaps. Additionally, practically 4% of the world's yearly Gross domestic product is lost because of these preventable occurrences. As a fundamental principle and right at work, Safety + Health for All place an emphasis on prevention to promote a safe and healthy workplace. (*Safety + Health for All, Safety and health at work, n.d.*)

All Maritime Entrepreneurs Pte. Ltd facilities have comprehensive safety programs in place to guarantee that safety procedures are followed during business hours and in emergency situations. We are continuously working on the functioning states of our offices in this manner advancing a sound what's more, useful climate for our employees.

Additionally, we pledge to:

- Imparting our objectives on manageability both inside and remotely and consolidating them in the preparation and schooling of our workers.
- Promoting among our employees the idea of a cleaner and greener environment.
- Informing all employees of the significance of good health practices, with a focus on improving the quality of drinking water to prevent water-borne illnesses, which are common in Bangladesh.

## **2.10 Education and Professional Development**

The importance we place on an individual's ongoing improvement is demonstrated by our total dedication to their educational and professional development. It proceeds with us to stay at the highest point of the business and in front of the expectation to learn and adapt.

Our strategy for professional and educational growth includes:

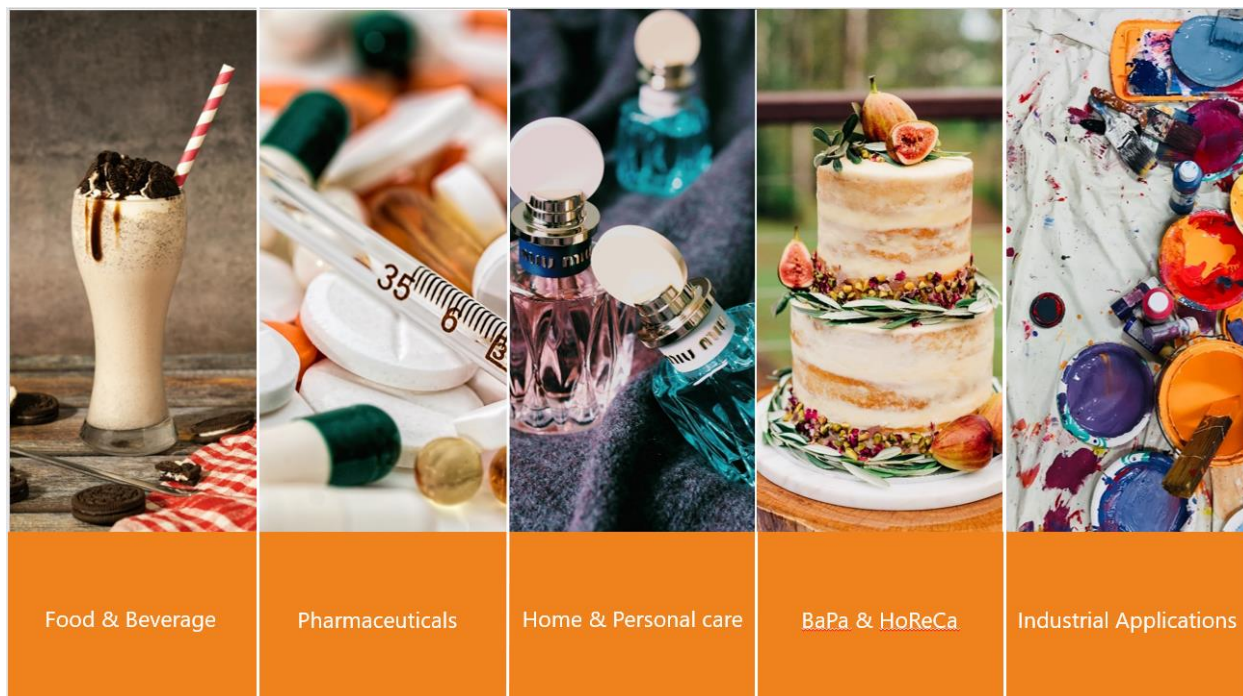
- Programming for the development of personal and life skills in all units.
- Putting in place orientation and training programs to help our employees learn more.
- Research is as of now continuous in setting out on an instructive undertaking reached out to our laborer's families in view of the instructive foundation of their kids.

## 2.11 Equality and Acceptance

More noteworthy variety in a work environment empowers imaginative critical thinking and innovativeness. We at Maritime Entrepreneurs Pte. Ltd. When it comes to hiring new employees, Ltd does not discriminate based on religion, ethnicity, or gender. Instead, it actively promotes diversity and equality. At all of our units, we strictly enforce procedures to prevent forced labor and child labor in particular. We are ardent supporters of employment freedom. Our written policy and procedure for handling complaints are upheld with the utmost integrity.

## 2.12 Line of Business

**There are Five Division available in MEPL;**



**I. Food & Beverage:** Sale All types of Food Ingredients, Food Color, Food Flavors and etc. MEPL works with our customers as partners to develop innovative solutions with a wide range of specialty ingredients in all the industries of food and beverages like dairy, beverage, bakery, confectionary and snacks. They have a dedicated team to serve customers for any specific need starting from idea generation to product launch.



**II. Pharmaceuticals:** Sale All types of Pharma Ingredients, Pharma Excipients and etc, work with our customers as partners to develop innovative solutions with a wide range of specialty ingredients for all kinds of solid, semi solid and liquid applications. MEPL offers a comprehensive range of products for the formulation for pharmaceuticals industries and the chemical synthesis of API.

**III. Home & Personal Care:** Sale All types of Personal Care Ingredients. We work with our customers as partners to develop innovative solutions with a wide range of specialty ingredients in all sectors of personal and home care industries. This includes skin care, oral care, hair care, fine fragrance, home care and industrial cleaning.

**IV. BaPa & HoReCa:** Sale All types of Bakery & Hotels Ingredients. We carry a wide range of BAPA and HORECA ingredients from cake premixes, yeasts, various bread improvers to roasted coffee, syrups and sauces. We are always committed to provide all kinds development works and delivery of their desired products at their doorstep on time. Our specially trained team will make sure supports are given to each of our customers.

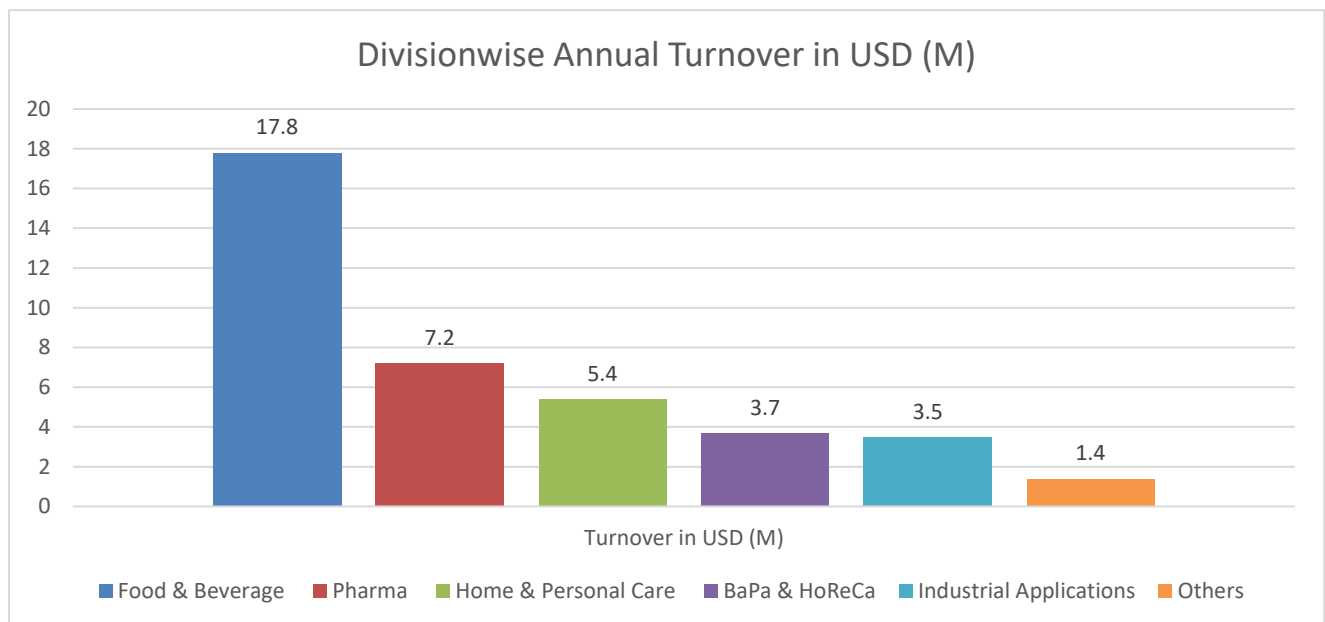
**V. Industrial Applications:** Develop Formula for Industrial Application & Manufacturing Entities. work with our customers as partners to develop innovative solutions with a wide range of specialty ingredients for many industries like paint & coatings, ink, cables, footwear and plastic industries.

## Division Wise Turnover:

The following information are related to Company's annual Turnover based on the information provided by their Sales Team. The major revenue earning division is Food & Beverage which contributes company's total 45-50% revenue and then the second highest revenue earning division is Pharma which also contributes company's 20-25% revenue source. However, the Directors are focusing to expand their business in Personal Care, Bakery & Industrial Division which also has accumulate 30% contribution on Company's total revenue.

### Division Wise Turn over in USD

Division	Turnover in USD (M)
Food & Beverage	17.8
Pharma	7.2
Home & Personal Care	5.4
BaPa & HoReCa	3.7
Industrial Applications	3.5
Others	1.4



## **Chapter 3**

### **Research Methodology**

#### **3.1 Introduction**

The research procedure used for this report is described in this chapter. It comprises the research methodology, research design, research strategy, research source, the study's target demographic, and the sample techniques used. Finally, the chapter describes the steps involved in data analysis and how the results are shown.

#### **3.2 Research Method**

A number of quantitative methodologies and procedures can be used to minimize research difficulties. In order to reach the study's ultimate goal, it is utilized to frame the descriptive method and evaluate the outcome and effect by testing the hypothesis. Quantitative procedures and approaches specialize on amounts because numbers indicate the values and intensities of theoretical constructions and notions. Finding evidence to support or refute hypothesis developed earlier in the study is similarly connected to this research process.

#### **3.3 Research Design**

Research Designed has performed based on the know how knowledge and standard implementation strategy. During the intern period, I have assessed the MEPL's existing process based on the regular activities and identifying the gap between the standard process and existing process.

#### **3.4 Research Source**

Since MEPL is a private Limited Company and its Financial Statement information is private so Secondary data has been used in this study which has been partially collected from the annual management reports. which has been obtained from the internal source of MEPL, for a period of 2 years from 2011 to 2022.

### **3.5 Nature of Data**

As already mentioned that MEPL is a private Company and Its Data related to Financial Statements, Financial Policy and Other related Financial Methodology is strictly prohibited to publish for the external user's however during my internship period I have been able to obtained the shadow data from the internal users of the Financial Division.

Initially, all of the MEPL's annual reports were obtained from the respective division. Information was then manually searched from each annual report, and finally, the ratios that were produced by computing the various variables related to research and innovation investment and performance measurement in the annual reports of the Company's internal management report.

## **Chapter 4**

### **FINANCIAL PROCESS AND ANALYSIS**

#### **4.1 Financial Processes Implementation & Analysis**

Under the direction of my academic supervisor, I was assigned to Maritime Entrepreneurs Pte. Ltd to complete the internship program. The supervisor chose the title of the report to meet the requirements of the internship program and the company. In order to fulfill all of the internship program's requirements, I was required to produce this report, which includes a summary of Maritime Entrepreneurs Pte. Ltd.'s structure and a financial analysis and Process Implementation. The main objective of implementing Financial Processes in Maritime Entrepreneurs Pte. Ltd. is to streamline all the business functionalities. Management wants to put better control on Sales, Purchase, Inventory, Production & Finance.

#### **4.2 Fixation of Chart of Accounts**

The organization of the chart of accounts in which there is a separate “drawer” for accounts representing assets, liabilities, equity, revenues, expenditure. Accounts will be organized by level in a logical fashion appropriate to our financial accounting and reporting processes. Any Ledger Account Cannot be deleted with activity against it. Can make it inactive only. At the time of Receipt from the Customer, In SAP, below columns should display the necessary information of the invoices such as Invoice no, Invoice date, Due Date, Total amount, Due Amount. Maritime need to prepare Outgoing Payment in system whenever they make any payment. Selecting Vendor as well as selecting due invoices they can make payment to their vendor. Or on Account they can make payment for any other expenses.

Maritime has to manually enter the Bank Name, Last Statement Balance with date and create journal entries for any difference to complete the reconciliation process. Maritime is doing the bank wise reconciliation on existing system

### **4.3 Journal Entry Processing**

Maritime does manual adjustment through Journal Entry as and when required. Journal entry is used to make adjustment entries for Customer, Vendor and General Ledgers. However, except Order i.e., Purchase/Sales/Production, all the documents will have direct Journal Entry creation.

### **4.4 Cost Accounting Processing**

Maritime will use 2 Dimension among 5 Dimensions under which list of separate Costs Centers need to be created. The Dimensions are as follows:

1. Employee
2. Department

In current scenario Maritime is doing product costing manually. And the calculation for the same is done through excel, considering the components like direct material, direct labour, factory overheads, selling and distribution cost etc. Based on the ledger posting (categorized as selling & marketing, factory expense, administrative expense, finance expense), material and labour consumption, the calculation of product costing will be derived on monthly/half yearly basis.

After getting invoice from vendor for the supplied material MEPL prepares Purchase Invoice in their legacy system for booking the Vendor Liability, VAT Credit, TDS and VDS, wherever applicable. In system, user needs to enter an A/P Invoice either based on the corresponding GRPO(s) document or on standalone basis once the invoice is received from the vendor for supplied material(s) for booking the Vendor Liability, VAT Credit and VDS, wherever applicable. An A/P Invoice always creates an accounting transaction. It records the liability and taxation (if any) and update the vendor account with the new outstanding balance.

### **4.5 Purchase Procedure**

Based on sales forecast SCM create purchase request in their existing system and send it to approval to higher authority. MEPL user will create Purchase request in SAP B1 for the required material along with required date which is subject to approval from respective authority. MEPL user needs to see Item cost along with projected landed cost parameters. Need to populate Item wise last purchase price along with the landed cost components.

After getting quotation approval from the respective authority, SCM places purchase order to supplier. MEPL purchases material from Chemexco for his own stock. Sometime MEPL creates Purchase Order together mentioning required material for own and for customer.

#### **4.6 Financial Performance Analysis:**

**Methodology:** MEPL prepare its Financial Statements on yearly basis. I have obtained the Financial Data from the system and this data given to me was historical. Due to Business confidentiality, actual data has not been given. However, the given data has potential impact on Financial Statement Preparation and based on the Financial Statement, Management can take the decision for the business.

#### **Mode of Obtaining Data:**

- Internal Documents
- Management Accounts
- Website

#### **Limitation:**

Since MEPL is a Private Limited Company and has no obligation to published its Financial Statements on Company's Website or Stock Exchange, so it was quite difficult to obtain the Actual Data from the independent sources. However, based on the data accessed during my internship period the following Financial Statement has been prepared for the internship report purposes. I have done the financial performance analysis in following two way and they are;

i. Financial Statement Analysis

ii. Ratio Analysis

**4.6.1 Financial Statement Analysis** Analyzing Financial Statements is key way to measure the performance of the Company's Financial Health and sustainability. Financial Statement analyzing report provide the snapshot of the overall position that Company has owned over the period.

## Financial Statement Analysis of MEPL: Balance Sheet

### Analysis:

**Note 1:** Decrease in property, plant & equipment by 10% (BDT 1,210,156)

During the year, the carrying amount of PPE decreased because addition to PPE was lower than depreciation charged during the year. The depreciated amount was 1.5 million whereas the addition was 0.3 million only.

**Note 2:** Decrease in inventories by 18% (BDT 21,186,882)

Inventories balance increased which is consistent with increase in cost of sales. Breakdown of movement in inventory items is as follows:

Particulars	2022	2021	Variance	In %
Finished goods	9,121,734	31,133,223	(22,011,489)	-71%
Raw materials	71,500,287	71,288,464	211,823	0%
Packing materials	11,755,433	10,103,455	1,651,978	16%
Stores/spares	1,063,365	912,159	151,206	17%
Promotional items	1,979,686	3,103,212	(1,123,526)	-36%
Materials in transit	60,503	127,377	(66,874)	-53%
<b>Total inventory</b>	<b>95,481,008</b>	<b>116,667,890</b>	<b>(21,186,882)</b>	<b>-18%</b>



> Finished goods decreased by BDT 22 mn. During the year MEPL has delivered the substantial amount of FG to Bangladesh Army in the month of MAY 21, which existed in last year FS. In addition, during the year the overall Flavor buying cost has significantly decreased by 70 taka per KG which results in the lower value of FG.

> The closing quantity of RM was 522 tn @ 134.8 taka per kg in 2021 where as RM was existed 338 tn @ 203.52 taka per kg in 2020. Due to lower purchase price; the value didn't fluctuate at the date of closing.

> MEPL purchased more packing materials in order meet increased demand of Raw Materials and minimize the scarcity of Packing Materials during the time of covid 19 pandemic which contributed to an increased by BDT 1.65 mn. Average Purchase price of Packing materials increased by BDT .60 pence which also contributed to increases the value of PM at closing date.

**Note 3:** Advance income tax increases by 20% (BDT 4,130,960)

Advance income tax increased by BDT 4.13 mn due AIT paid at the time of purchase of raw material at import stage. No assessments were completed during the year.

**Note 4:** Advance payment of VAT decreased by 14% (BDT 3,025,852)

VAT liability accrued on sales (output VAT) was BDT 94.68 mn while VAT paid on purchase (input VAT) was BDT 83.73 mn as at 30 June 2020. MEPL had paid advance VAT of BDT 20.82 mn along with their VAT return. As a result, advance VAT has increased by BDT 9.78 mn.

**Note 5:** Increase in trade receivables by 326% (BDT 53,730,400)

<b>Particulars</b>	<b>2022</b>	<b>2021</b>	<b>Difference</b>
Distributors	70,208,025	16,477,625	53,730,400
<b>Trade receivables</b>	<b>70,208,025</b>	<b>16,477,625</b>	<b>53,730,400</b>

MEPL has experienced increased receivables (326%) compared to previous year. This is mainly due to Covid 19 epidemic. From March 20, Govt announced public holiday to minimise the pandemic effect. Most of the Banks, Transportation, courier service was closed. MEPL mainly sales their product through advance DD (email, photo copy). As most of the area across the country was considered completely locked down so MEPL couldn't collect their Main copy of DD on time. This happened from March to mid of July. As a results MEPL experienced higher number of receivables balance as at 30 June 2022. On exception basis; MEPL considered enhanced credit terms to few distributors to support their business during the time of pandemic actually which comes from long business relationship between MEPL and their selected distributors. During the time of Pandemic few of big distributors paid partial amount of invoice which is as a support to them to carry their business in tough time which contributes to large amount of balance outstanding at the time of closing. Subsequently MEPL lifted their credit supports and abled to collect more than 80 % of receivables by the Jan 2023.

**Note 6:** Increase in cash and cash equivalents by 257% (BDT 3,059,352)

MEPL had to collect few amounts of cash sales through DBBL agent banking system which increases the amount of Bank balance (DBBL) as at 30 June 2022.

**Note 7:** Share capital increases by BDT 70 mn

Additional 70 mn share capital injected to meet its equity gap. The contribution was 50:50 for its JV partners.

**Note 8:** Increase in bank overdrafts by 52% (BDT 30,266,997)

MEPL has a combined facility of Overdraft and Short-term Loans from its Banks. During the year, MEPL has to adopt the Overdraft facility in a higher amount due to the Covid-19 impact on the second half portion of the year as overdraft facility needs less paper works than Short Term Loans facility and results in an increase amount of Overdraft balance at reporting date.

**Note 9:** Decrease in loans and borrowings by 39% (BDT 70,950,305)

Description	Balance CY	Balance PY	Difference	changes in %
Standard Chartered Bank (SCB)	30,000,000	80,000,000	(50,000,000)	-63%
HSBC	83,153,271	65,041,868	18,111,403	28%
Loan from ACI	-	39,061,708	(39,061,708)	-100%
Total	113,153,271	184,103,576	(70,950,305)	-39%

During the year MEPL availed more OD facility over Loans and borrowings and paid substantial amount of loans (SCB) soon after equity injection. There was an outstanding loan existed which taken from its Parents and paid in the month of September 2021. The overall impact decreases the balance lower at the reporting date.

**Note 10:** Decrease in trade payables by 39% (BDT 9.524,866)

Trade and other payables decreased by BDT 9.5 mn which is consistent with decrease in cost of sales. Due to financial impact, suppliers asked for early payment and MEPL made so to keep good business relationship with their suppliers. As a result, trade and other payables decreased by BDT 8.5 mn comparing to last year. Trade payables mainly consisted with Promotional Items purchase which actually decreases since pandemic started in early of March.

**Note 11:** Accruals and provision increases by 200 % (BDT 12,926,047)

MEPL kept various type of Provision for its distributors as a reward to achieved their sales target. The types of such provision like Foreign Trip, Motor cycle gift, LED TV gift and other gift items. These were held up to negative financial impact and MEPL promises to release such

gift items once the travel restriction lifted by Govt. This has contributed to over all amounts greater at the time of reporting date.

### **Financial Statement Analysis of MEPL: Income Statement**

**Note 12:** Increase in Revenue by 1% (BDT 5,833,993)

MEPL's Revenue has increased by 1% mainly due to their continuous growth in sales in relation to previous year. During the year, MEPL's total sales quantity was 2,194,730 kg which is 228,168 kg greater than previous year. However, average sales price of tea per kg decreased by BDT 30 during the year (2022). Furthermore, the Company launched new products/SKU this year in different sized packs such as Mango Flavor, Flavored tea lemon & honey and Flavor tea masala. MEPL focuses Premiumization on high demand products, delivering growth in all segments thus of new smart marketing and trade promotion techniques. MEPL also focuses on strong distribution and operational efficiencies to keep the continuous growth in revenue generation.

**Note 13:** Decrease in cost of sales by 18% (BDT 92,771,016)

COGS mainly decreased due to the declining purchase price of raw materials for the year. Price of raw materials decreased by BDT 70 per kg due to higher production in local market and lower market demand. Though direct labor and factory overhead have increased due to annual salary increment as per company policy.

**Note 14:** Increase in selling and distribution expenses by 8% (BDT 3,817,835)

Selling and distribution expenses increased mainly due to the increase in distribution expenses. Reason behind the increases of distribution expenses is due to fuel cost price, which has increased compare to 2021. A few numbers of transportations were available with the higher demand of transportation costs. This leads to a higher distribution expenses for the period.

**Note 15:** Increase in Advertisement and sales promotion expenses by 123% (BDT 58,295,030)

Advertising and Promotional expenses figure consists of 3 elements as shown below in the table.

<b>Breakdown</b>	<b>2022</b>	<b>2021</b>	<b>Difference</b>	<b>In %</b>
Advertisement	5,938,320	7,845,636	(1,907,317)	-24%
Consumer promotion	49,202,204	15,285,166	33,917,038	222%
Trade promotion	50,574,919	24,289,611	26,285,309	108%
<b>Total Advertisement and sales promotion expense</b>	<b>105,715,443</b>	<b>47,420,413</b>	<b>58,295,030</b>	<b>123%</b>

The company carried out extensive consumer and trade promotion activities during this year (2022). The Company undertook numerous consumer and trade promotional activities to continue the sales growth as per management approval and policy. As a result the overall A&SP expenses increased for the year. Consumer promotion consists the expense of Cup, Mug, Spoon free offer whereas Trade promotion consisted the expenses of Foreign trip, Holiday offer in five-star hotel and etc. to its distributors as a reward of achieved targeted sales.

**Note 16:** Increase in administrative expenses by 17% (BDT 5,979,153)

Administrative expenses include salaries, rent, travelling and conveyance, postage and telephone, entertainment, legal and professional charges and other administration related expenses. The increase in administrative expense is mainly due to the increase in salary and allowance by BDT 5.2 Mn during the period which has been caused by the annual increment of salary. On the other hand, travelling conveyance, new item like cost for PPE, sanitizer expenses are added as administrative expenses which results the overall increased in administrative expenses.

**Note 17:** Income tax expenses decreased by 35% (BDT 2,243,868)

Income tax expense decreased mainly due to lower payment of Advance Income Tax (AIT) for purchase of raw materials comparing to previous year, which is the minimum tax of MEPL. Tax expense decreased in line with decrease of cost of sales as purchase price of Raw material decreased.

### **B.3.4 Ratio, Profitability and Going Concern Analysis:**

Ratio Analysis is one of the integral parts of Financial Statement analysis and management can view the overall position through the Ratio Analysis. Ratio analysis covers the Company's Liquidity Position, Asset Position, Gearing Position, Gross Profit Position and Net Profit Position. Application of Ratio Analysis is huge, Company can take decision by using the Ratio Analysis and specially for large investment, Ratio Analysis regarded as the compulsory benchmark to access the feasibility of a project.

#### **Current Ratio:**

Current Ratio measures the gap between current asset to current liabilities. This is a very common test in industry and management can predict the company's ability to pay the current debt for upcoming period.

$$\frac{\text{Current Asset}}{\text{Current Liabilities}}$$

Year	Current Asset	Current Liabilities	Quick Ratio
2022	219,689,570	254,455,574	.86
2021	191,672,812	289,651,310	.66

Current Ratio has increased due to the increased amount of Advance income tax and receivables amount. However, in 2022, the total amount of current liability also decreased due to repayment of Short-term loan. MEPL has now improved current ratio to meet its current obligations compare to last fiscal year. Company should have sufficient current assets to meet its commitment to pay its current liabilities over the period. However, ideally a current ratio is more than 1 should be expected although this varies company to company and their business nature. In

Particular, for manufacturing entities they hold large volume of raw materials as inventories and that will be used for production purpose, so in that case current ratio would be higher than expected. For MEPL, since this is a trading company, its highly expected that they will have a good portion of finished goods at reporting date. The Company's current ratio has increased compare to the previous reporting year that indicate that this has increased due to the increased receivable balance.

**Quick Ratio:**

Quick ratio measures how quickly Company can able to pay its debt without selling its stock. This ratio is also ideally should be 1. The major impact occurs for the inventory level.

$$\frac{\text{Current Asset Less Inventory}}{\text{Current Liabilities}}$$

Year	Quick Asset	Current Liabilities	Quick Ratio
2022	219,689,570- 95,481,008	254,455,574	.49
2021	191,672,812-116,667,890	289,651,310	.29

Quick Ratio has increased due to the decreased amount of Inventory in 2021 by 21 mn. This has contributed to increase the amount of quick ratio in current year

**Receivables Turnover Ratio:**

Receivables Turnover ratio measures how much receivables have been collected against Sales Revenue. This indicates the Company's collection ability which has an impact with Cash & Cash Equivalents.

$$\frac{\text{Sales}}{\text{Receivables}}$$

Year	Sales	Receivables	Receivables Turnover Ratio
2022	629,978,323	70,208,025	8.97
2021	624,144,330	16,477,625	37.88

Receivables Turnover ratio has sharply fallen this year due to bigger amount of closing receivables in 2022. In last year, MEPL was failed to collect the amount for downwards economic situation

**Fixed Asset Turnover Ratio:**

This measure indicates that, how efficiently Company uses its fixed assets to generates its revenue. Higher ratio indicates that the management is using its fixed assets efficiently.

$$\frac{\text{Sales}}{\text{Fixed Assets}}$$



Year	Sales	Fixed Asset	Fixed Asset Turnover Ratio
2022	629,978,323	11,554,985	54.52
2021	624,144,330	12,815,294	48.70

Based on the above calculation it indicates that, in 2022 MEPL could efficiently used its Fixed Asset thus provide the higher Fixed Asset Turnover Ratio compare to 2021.

### **Gross Profit Margin:**

By measuring the GP margin Company can measure the money left from Sales and Cost of Sales by dividing the Sales.

$$\frac{\text{Gross Profit}}{\text{Sales}} * 100$$

Year	Gross Profit	Sales	GP Margin
2022	214,871,601	629,978,323	34%
2021	116,266,592	624,144,330	19%

In 2022, Gross Profit margin has increased due to lower cost of sales due to lower purchase of raw materials due to emerging of Dollar crisis.

**Debt to Equity Ratio:**

By measuring the GP margin Company can measure the money left from Sales and Cost of Sales by dividing the Sales

$$\frac{\text{Long Term Debt}}{\text{Equity}} * 100$$

Year	Long Term Debt	Equity	Debt to Equity Ratio
2022	0	650,000,000	0%
2021	0	580,000,000	0%

Considering the Recent Financial Statements, The Company does not have any long-term debt that indicates that the Company's capital structure is based on fully equity investment from Shareholders.

## **Chapter 5**

### **A case study with a Supplier**

During my internship period I was engaged in a project where I prepared a business proposal to a Supplier and I have prepared the below business Proposal for a Supplier.

#### **Background of the case study**

Fonterra, a well-known supplier, sought to expand their operations in Bangladesh. Full cream milk powder, butter, and cheese were their major products. They were seeking for a distribution firm that could store their product at the optimal temperature, had full-service storage and distribution facilities, and could develop their business in the Bangladesh market. MEPL has been designated as their authorized distributor channel in the Bangladesh market due to our distribution capability and more than 40 years of expertise in the importing, storage, and distribution sectors. Before beginning the company, they requested that a proposal for Food Service Opportunity in the Bangladesh Local Market with Fonterra be prepared, containing a synopsis of our operations, a market analysis for Butter and Cheese for Bangladesh, and a market research for Cheese for Bangladesh. Please see below for the Business Proposal created by the MEPL team and presented to the Supplier (Fonterra) for a new business opportunity.

## **A Business Proposal for Food Service Items Distribution in Bangladesh**

### **Introduction:**

This proposal is for the establishment of a Food Service Opportunity in the Bangladesh Local Market with Fonterra, including a summary of our operations, a market study for Butter and Cheese for the year ended 2020 and 2021, and business forecasting of the future market in dairy products (Cheese, Butter and etc).

### **Name of the Business:**

The name of the Company is Maritime Entrepreneurs Pte Limited which is registered as per the act of Register of the Joint Stock Company in Bangladesh and Company Act 1994 with vide certificate of incorporation no C- 129478. “Maritime Entrepreneurs Pte Limited” is the ultimate parent of the “In.Connect Limited”

### **Main Principals:**

As the exclusive distributor of Bangladesh, At present, we are representing more than twenty leading companies of the world who are engaged in manufacturing raw materials for food, pharmaceutical and personal care industries. Our main Principals include Symrise, Barry Callebaut, Lesaffre, Cargill, Lubrizol and etc.

### **Annual Growth:**

We have positive growth over the years with the help of all our stakeholders. In 2020 due to covid we had many challenges like lockdown, factory had to be closed etc. However, we still grew around 8 per cent.

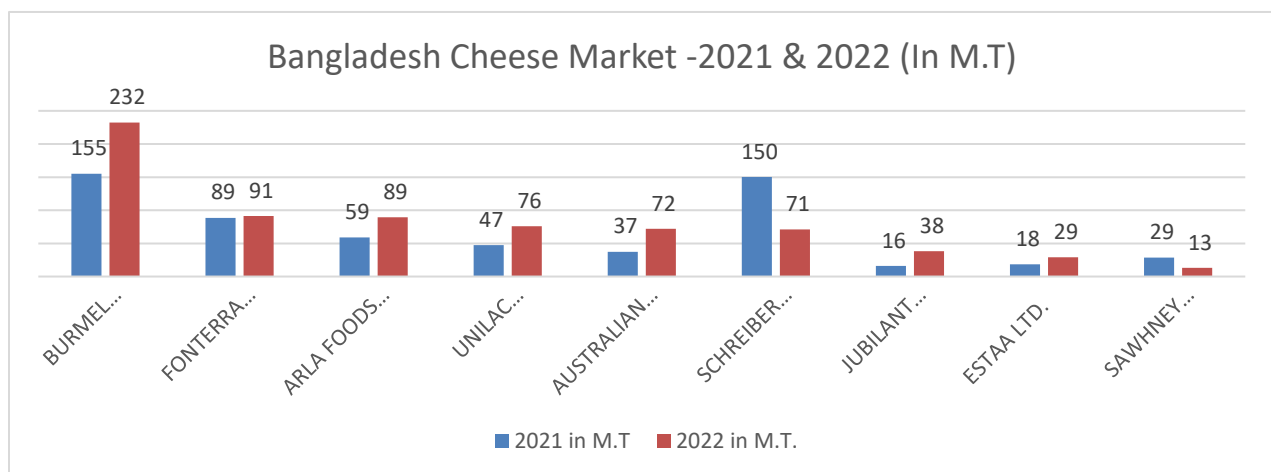
## Purpose of the Business Proposal:

The aim of this business plan is to establish a mutual setup with Fonterra by obtaining a business partnership to sell the Dairy Products in Bangladesh Market. A recent study shows that The Cheese market is expected to grow annually by 10.79% and the Butter Market is expected to grow annually by 10.50%. Since MEPL is operating in HORECA sector in last 7 years, so they want to be the partner of Fonterra to grow their operations in the Bangladesh Local Market.

## Market study for Cheese (2021 to 2022):

We have obtained the data from the National Consumer Index Source and concluded the following information for the existing Cheese and Butter Market in Bangladesh.

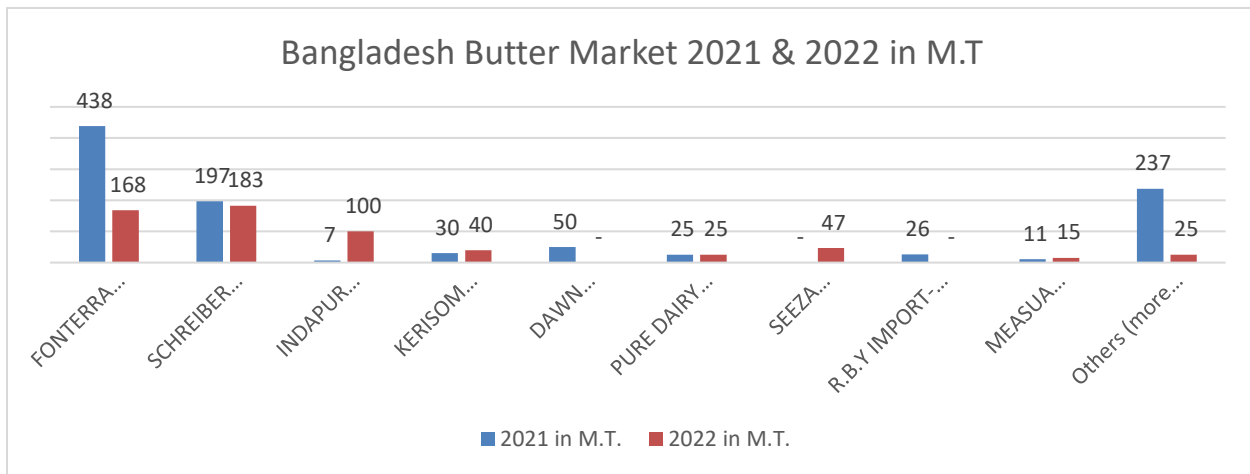
Top Ten supplier	2021 in M.T	2022 in M.T.	% of Market share
BURMEL IMPORT EXPORT	155	232	20%
FONTERRA LIMITED	89	91	10%
ARLA FOODS CORPORATION	59	89	8%
UNILAC HOLLAND B.V.	47	76	7%
AUSTRALIAN FINE FOODS PTY LTD.	37	72	6%
SCHREIBER DYNAMIX DAIRIES PVT	150	71	12%
JUBILANT FOODWORKS LTD.	16	38	3%
ESTAA LTD.	18	29	2%
SAWHNEY FOODSTUFF TRADING CO	29	13	2%



Based on the data above we can assume that the Our Potential Supplier Fonterra has a good market position in Bangladesh.

### Market study for Butter (2021 to 2022)

Top Ten Supplier	2021 in M.T.	2022 in M.T.	% of Market Share
FONTERRA LIMITED	438	168	37%
SCHREIBER DYNAMIX DAIRIES PVT LTD.	197	183	23%
INDAPUR DAIRY & MILK PRODUCTS LTD.	7	100	7%
KERISOM FOOD ENTERPRISE LIMITED	30	40	4%
DAWN INTERNATIONAL	50	-	3%
PURE DAIRY PTY LTD.	25	25	3%
SEEZA INTERNATIONAL CO.,LTD.	-	47	3%
R.B.Y IMPORT-EXPORT CO.,LTD.	26	-	2%
MEASUA GENERAL TRADING LLC	11	15	2%



Based on the data obtained and given above, Our Potential Supplier Fonterra has a good market growth and their position is the highest in the Bangladesh.

### Pricing Strategy:

Pricing will be dependent on the Import cost and other associated cost to bring the product into our warehouse. However, we have to consider the existing market demand, availability of the product and competitors' price before set the selling price. Price may vary due to market environment, Supply and Demand.

## **Target Market**

Our main target customers are to be Hotels, Restaurants, Café, and Household & retail consumers.

## **Measures for Target Market**

### *HORECA Team:*

- Provide Sample to the Customers for Recipe Development
- Chef will go to the Target Customer to replace the existing product with Fonterra's Products.
- Frequent visit to the Customer to develop new product line

### *Retail Team:*

- Provide Sample to the Customers for Business Development
- Arrange various seminar, Technical session at Customer point to develop the market
- To Arrange necessary demonstrations in the different chain and retail store

## **Promotional Plan**

The unique marketing approach/analysis using a direct visit approach to the customers offers free samples, business loyalty, programs, seminar for business growth opportunities. Special

awareness contact marketing will be carried out by dedicated staff within the first six months of the business.

### **Warehouse Management Plan:**

We have full logistics system to deliver the goods to customers at their premises within the next day of the order. Our new warehouse has been maintaining HACCP & other necessary guidelines for Good Storage Practice (GSP) and Good Distribution Practice (GDP). We are committed to provide every required document regarding application, utility, safety or any requirement from any authority. New Warehouse has built with AC Room, Freezer Room, Cold room (Positive and Negative Temperature).

### **SWOT Analysis**

The proposed Business for Maritime Entrepreneurs Pte Limited is going to be located in Dhaka, Bangladesh where 80% of our target customer is located. Following SWOT-analysis carried out on the project reveals the following:

#### ***STRENGTHS***

Since Bangladesh has obtained the status as Developing Country, Consumers Purchasing power parity has increased over the period as per the data published by Central Bank. In relation to that number of Hotels, Restaurants and Cafes has increased notably. Hence main strength has accounted as below

- Demand for Cheese and Butter has increased in the last ten years
- We (MEPL) are one of the leading food ingredients supplier for last 40 years.
- Environment and Health regulations are getting stricter since we have a reputation to comply the regulations in local market.



### ***WEAKNESSES***

- Short Shelf Life of the Dairy Products
- Bangladesh is an Agricultural country, Many Local players are coming this field

### ***OPPORTUNITIES***

- Number of Multinational Chain Hotels and Restaurants, Café is coming to operate their business in Bangladesh.
- Fonterra has a good reputation for Dairy Products in Bangladesh Market.
- Market trend reveals an all-year-round demand
- People become habituated to taking the food from hotels, restaurants and café

### ***THREATS***

- The presence of other variety of Principals including their products in the market
- Market entry may not be smooth.
- Govt has a special focus on local manufacturers regardless of the quality of their products.

**FINANCIAL Strength:**

In order to carry out this project, plans on how to raise the capital are stated below.

Financing Plan		
<u>Equity Contribution</u>		
Source	Amount (BDT)	Percentage
<b><u>Authorised Share Capital</u></b>		
200,000 ordinary shares of Taka 100 each	20,000,000	100%
<b><u>Issued, Subscribed &amp; Paid up</u></b>		
17,500 ordinary share of Taka 100 each	1,750,000	100%
<b><u>Particulars of shareholding</u></b>		
Geyashuddin Ahmed - 2500 Shares	250,000	14.3%
Layesa Ahmed- 2500 Shares	250,000	14.3%
Rakib Ahmed Rabbi- 12500 Shares	1,250,000	71.4%
Director's Venture Invesment	15,000,000	
Total Equity financing	16,750,000	

Our existing capital formation is fully based on 100% equity Finance. However, considering the Business Growth and Independent credit rating, we are able to take long term borrowing fund from the Banks to meet the additional working capital requirement.

**Business Forecast and Projection:** Upon considering the above scenario and management plan, we are willing to share our Business Forecast as follows;

Product Line	YR 2022	YR 2023	YR 2024
Cheese	110 MT	140 MT	180 MT
Butter	250 MT	300 MT	350 MT

\*\* Assuming 20 to 30 % Annual Growth

**What Support we need from Fonterra**

We believe that Fonterra is an integral part of our supply chain and we seek your assistance to meet our objectives, satisfy our customers and deliver on our promise. This support includes:

- Continual Review of our Business Operation and Provide insight for improvement
- Arrange Different type of Technical Seminar to know about the Product and new opportunities
- Periodical customer Visit
- Provide insight for new recipe development
- A Dedicated person for Business Development, preferably a certified Chef

Based on the projections above, the project has a very good chance to be commercially successful. More importantly is the positive economic impact (Growing economy) and inherent Goodwill of MEPL in Bangladesh Market will may reflect the viable position for the proposed business. The management is free to make their expansion decisions based on the market situation and mutual discussion with Fonterra.

### **Comments From Supplier**

As a result, an overall review rating of **Conditionally Approved** is given to Maritime Entrepreneurs Pte Limited. All relevant non-conformances and observations identified by the Auditor on the day and detailed in this report, should be addressed (confirmed closed out) by the proposed dates, with the Vendor providing objective evidence as appropriate to the Auditor which will be verified at the next scheduled Quality and Food Safety Audit by a Fonterra Approved Auditor.

## **Chapter 6**

### **Recommendation**

Maritime Entrepreneurs Pte limited is a growing Company and there are lots of potential business opportunities are they have to grow. They have diversified product range and relationship with renowned suppliers where from they get new business idea to expand their business. Since MEPL still is a loss-making entity, Management should focus on its Revenue line item and assess to minimize the overhead cost to turn into the profit margin. Online based sales platform is now going to be favorite sales point for the customers and MEPL can start online based sales to reduce the selling and distribution expenses. In addition to that recruit the industry-based expertise and provide training could be a way to expand their business operation and maximizing the profit.

Whilst the Company is able to continue operations during the COVID-19 pandemic in 2020 to 2021, Dollar Crisis in 2022 and the associated restrictive measures introduced by the Government of Bangladesh due to shortage of Dollar, the overall impact had contributed Company's operations during 2021 to 2022. The Directors are of the view that the Company has the ability to continue its operations and has adequate resources to meet financial commitments as they fall due for the foreseeable future and as such it remains appropriate to prepare these financial statements on a going concern basis.

## **Chapter 7**

### **Conclusion:**

All in all, this complete report on Maritime Entrepreneurs Pte. Ltd. has provided valuable insights into the company's potential for growth and success in the maritime industry, as well as its current financial performance. Maritime Entrepreneurs Pte. Ltd.'s market presence, product and service portfolio, and operational efficacy are its strengths. Utilizing its distinctive selling propositions to set itself apart from its rivals, the business has achieved success in its position within the maritime industry's fiercely competitive landscape. For the company's liquidity and financial stability, cash flow management is essential. Maritime Entrepreneurs Pte. Ltd. will be able to make use of effective working capital management and cash flow forecasting practices to deal with fluctuations in the market and keep a healthy cash position. Additionally, the company's capital structure can be improved and financing options investigated, providing the resources required for expansion and investment in new opportunities.

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**MARITIME ENTREPRENEURS PTE LTD**



March 31, 2023

**TO WHOM IT MAY CONCERN**

This is to certify that Md. Shahriar Anik is working with Maritime Entrepreneurs Pte Ltd. as Senior Executive, Finance & Accounts since November 09, 2021. He is a permanent employee of our company.

On behalf of Maritime Entrepreneurs Pte Ltd.

A handwritten signature in black ink, appearing to read "Reaz Mahmud", is written over a horizontal line.

Reaz Mahmud  
Sr. Manager, HR  
Email: reaz@mepibd.com

Reaz Mahmud  
Sr. Manager, Human Resources  
Maritime Entrepreneurs Pte Ltd.










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## Appendix 2

### Major Business Partners of MEPL at a Glance

 <p>GERMANY FLAVOURS &amp; FRAGRANCES</p>	 <p>SWITZERLAND COCOA PRODUCTS &amp; CHOCOLATES</p>	 <p>USA TEXTURIZING SOLUTIONS</p>
 <p>SPAIN GUM BASE</p>	 <p>USA MODIFIED STARCH</p>	 <p>SWITZERLAND CITRICS, LACTICS, GULCONATES &amp; XANTHAN GUM</p>
 <p>DENMARK CULTURE</p>	 <p>INDIA FOOD COLORS</p>	 <p>NEW ZEALAND DAIRY PRODUCTS</p>
 <p>INDIA ANTI-FUNGAL AGENTS, EMULSIFI- ERS &amp; CLOUDING AGENT</p>	 <p>USA ANTIOXIDANT &amp; MICROBIAL</p>	 <p>SWEDEN SPECIALTY FATS &amp; OILS</p>



## Appendix 3

### Financial Statement: Balance Sheet

Particulars	Balance Sheet as at		Change		Notes
	30 June 2022	30 June 2021	In amount	In %	
<b>Assets</b>					
Property, plant and equipment	11,321,293	12,531,449	(1,210,156)	-10%	Note 1
Intangible assets	233,692	283,845	(50,153)	-18%	
<b>Non-current assets</b>	<b>11,554,985</b>	<b>12,815,294</b>	<b>(1,260,309)</b>	<b>-10%</b>	
Inventories	95,481,008	116,667,890	(21,186,882)	-18%	Note 2
Advance income tax	24,731,279	20,600,318	4,130,961	20%	Note 3
Advance payment of VAT	18,593,059	21,618,911	(3,025,852)	-14%	Note 4
Trade receivables	70,208,025	16,477,625	53,730,400	326%	Note 5
Intercompany receivables	3,949,429	9,926,729	(5,977,300)	-60%	
Advances, deposits and prepayments	2,475,006	5,188,921	(2,713,915)	-52%	
Cash and cash equivalents	4,251,764	1,192,418	3,059,346	257%	Note 6
<b>Current assets</b>	<b>219,689,570</b>	<b>191,672,812</b>	<b>28,016,758</b>		
<b>Total assets</b>	<b>231,244,555</b>	<b>204,488,106</b>	<b>26,756,449</b>		
<b>Equity</b>					
Share capital	650,000,000.00	580,000,000	70,000,000	12%	Note 7
Accumulated loss	(673,211,018.00)	(665,163,204)	(8,047,814)	1%	
<b>Total equity</b>	<b>(23,211,018.00)</b>	<b>(85,163,204)</b>	<b>61,952,186</b>		
<b>Liabilities</b>					
<b>Non-current liabilities</b>	-	-	-		
Bank overdrafts	88,041,982	57,774,985	30,266,997	52%	Note 8
Provision for tax	19,583,638	15,444,080	4,139,558	27%	
Loans and borrowings	113,153,271	184,103,576	(70,950,305)	-39%	Note 9
Trade and other payables	11,371,818	20,896,684	(9,524,866)	-46%	Note 10
Inter company Payables	1,887,274	959,512	927,762	97%	
Advances from distributors	1,017,022	3,997,952	(2,980,930)	-75%	
Accruals and Provisions	19,400,568	6,474,521	12,926,047	200%	Note 11
<b>Current liabilities</b>	<b>254,455,574</b>	<b>289,651,310</b>	<b>(35,195,736)</b>		
<b>Total liabilities</b>	<b>254,455,574</b>	<b>289,651,310</b>	<b>(35,195,736)</b>		
<b>Total equity and liabilities</b>	<b>231,244,555</b>	<b>204,488,106</b>	<b>26,756,449</b>		

## Appendix 4

### Financial Statement: Income Statement

Particulars	Income statement		Change		Notes
	For the year ended		In amount	In %	
	30-Jun-22	30-Jun-21			
Revenue	629,978,323	624,144,330	5,833,993	1%	Note 12
Cost of sales	(415,106,722)	(507,877,738)	92,771,016	-18%	Note 13
<b>Gross profit</b>	<b>214,871,601</b>	<b>116,266,592</b>	<b>98,605,009</b>		
<b>GP margin</b>	<b>34%</b>	<b>19%</b>			
Other income	202,423	476,524	(274,101)	-58%	
Selling and distribution expenses	(52,336,505)	(48,518,671)	(3,817,834)	8%	Note 14
Advertisement and sales promotion expenses	(105,715,443)	(47,420,413)	(58,295,030)	123%	Note 15
Administrative expenses	(41,045,144)	(35,065,987)	(5,979,157)	17%	Note 16
<b>Operating Profit / (loss)</b>	<b>15,976,932</b>	<b>(14,261,954)</b>	<b>30,238,886</b>		
Finance costs	(19,883,088)	(20,123,160)	240,072	-1%	
<b>Loss before tax</b>	<b>(3,906,156)</b>	<b>(34,385,114)</b>	<b>30,478,959</b>		
Income tax expense	(4,141,658)	(6,385,526)	2,243,868	-35%	Note 17
<b>Loss after tax</b>	<b>(8,047,813)</b>	<b>(40,770,641)</b>	<b>32,722,828</b>		
Other comprehensive income	-	-	-		
<b>Total comprehensive income</b>	<b>(8,047,814)</b>	<b>(40,770,641)</b>	<b>32,722,827</b>	<b>-80%</b>	