



NATIONAL FEED MILL LIMITED

# ANNUAL REPORT

2022-2023



# ANNUAL REPORT 2022-2023



**NATIONAL FEED MILL LIMITED**



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## *Transmittal Letter*

To

All Shareholders,  
Bangladesh Securities and Exchange Commission,  
Registrar of Joint Stock Companies & Firms,  
Dhaka Stock Exchange Limited,  
Chittagong Stock Exchange Limited.

**Subject: Annual Report for the year ended June 30, 2023.**

Dear Sir(s),

We are pleased to enclose the notice of the 23rd Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements, including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2023 along with the notes thereon of National Feed Mill Limited for your kind information and record.

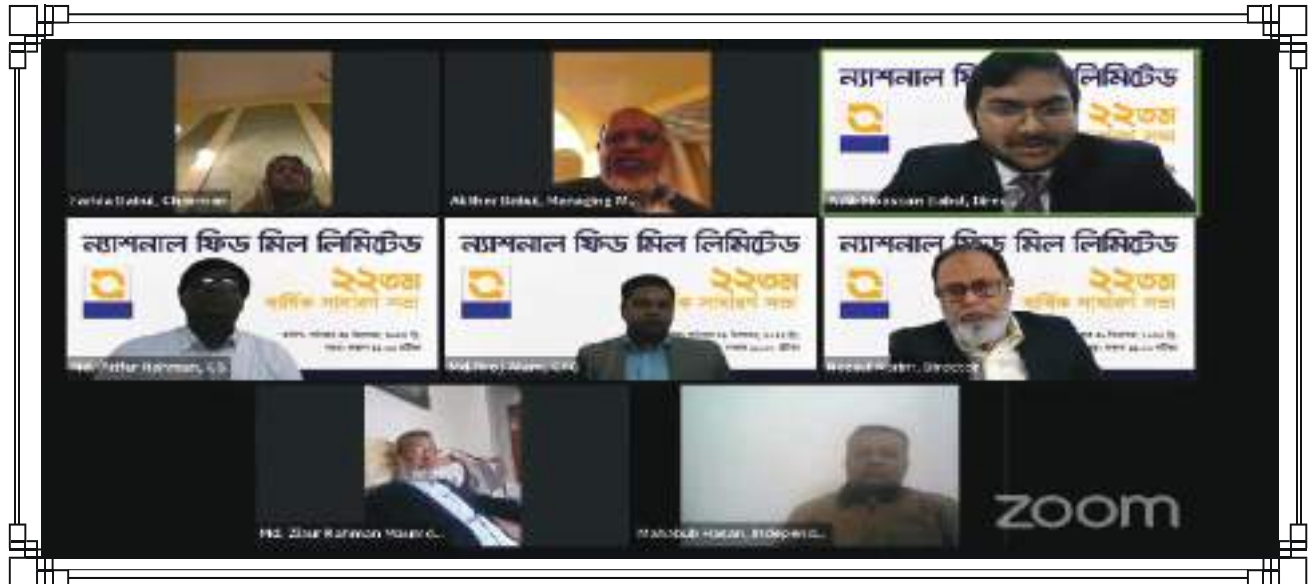
It may be mentioned here that as per notification no. BSEC/CMRRCD/2006-158/208/ Admin/81, dated 20 June, 2018 issued by Bangladesh Securities and Exchange Commission, we are sending the Notice of Annual General Meeting and Annual Report along with Annual Audited Financial Statements to the valued Shareholders through e-mail addresses available in their Beneficial Owner (BO) accounts with the Central Depository System.

Sincerely Yours,

Md. Arifur Rahman,  
Company Secretary



## Event Highlights of 22<sup>nd</sup> AGM



## Event Highlights of 21<sup>st</sup> AGM





## NATIONAL FEED MILL LIMITED

Corporate Office: House # 51, Road # 15, Sector # 03, Uttara, Dhaka-1230

Phone: +88-02-48950746 Fax: +88-02-58955257,

E-mail: general@nationalgroup-bd.com Website: www.nationalgroup-bd.com

### Notice Of The 23<sup>rd</sup> Annual General Meeting

Notice is hereby given that the 23<sup>rd</sup> (Twenty-Third) Annual General Meeting (AGM) of National Feed Mill Limited In Shaa Allah will be held on 26<sup>th</sup> December, 2023 Tuesday, at 11:00 a.m. on the Digital Platform In Shaa Allah to transact the following business:

#### AGENDA:

1. To receive, consider and adopt the Director's Report, the Audited Financial Statements for the year ended 30<sup>th</sup> June, 2023 and the Auditor's Report thereon;
2. To approve/Declare No Dividend for the year ended 30<sup>th</sup> June, 2023, as recommended by the Board of Directors;
3. To elect /re-elect Directors as per terms of the relevant provision of the Articles of Association of the company;
4. To approve appointment independent directors as per Corporate Governance Code;
5. To appoint Statutory Auditors and professionals for the compliance of corporate governance code for the year 2023-2024 and fix their remuneration;
6. To transact any other business with the permission of the Chair.

Dated: Dhaka  
04<sup>th</sup> December, 2023

By Order of the Board

**Md. Arifur Rahman**  
Company Secretary

#### Notes:

1. November 22, 2023 is scheduled as Record Date for the Company's 23<sup>rd</sup> AGM. Shareholder's Name appearing in the Register of Member of the Company on the Record Date will be eligible to attend the AGM, vote on agenda In Shaa Allah.
3. Pursuant to the Bangladesh Securities and Exchange Commission's Order Nos. SEC/SRMIC/94-231/25 dated 08 July 2020 and SEC/SRMIC/94-231/91 dated 31 March 2021, the AGM will be conducted via live webcast by using the digital platform.
4. The Members 'In Shaa Allah' will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://nfml2023.digitalagmbd.net>
5. Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2022-2023 is being sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Members are requested to update their email addresses through their respective Depository Participant (DP). The soft copy of the Annual Report 2022-2023 also be available on the Company's website at: [www.nationalgroup-bd.com](http://www.nationalgroup-bd.com)
6. A Shareholder 'In Shaa Allah' eligible to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. The Proxy Form duly filled, signed and stamped must be deposited at the Corporate Office of the company not later than 48 hours before the AGM.

## Corporate Profile

Registered Name	:	National Feed Mill Limited
Legal Status	:	Public Limited Company
Date of Incorporation	:	22 <sup>nd</sup> December, 1999
Business	:	Poultry Feed, Fish Feed & Cattle feed Manufacturing.
Production Capacity	:	86,400 (M. Ton) Per Annum
Chairman	:	Mrs. Farida Jahan Babul
Managing Director	:	Mr. Akther Hossain Babul
Chairman of Audit Committee	:	Md. Ziaur Rahman Mazumder
Chairman of NRC Committee	:	Mr. Mahbub Hasan
Chief Financial Officer	:	Md. Firoj Alam
Company Secretary	:	Md. Arifur Rahman
Authorized Capital	:	2000 Million
Paid up Capital	:	Taka 933.61 Million
Date of Listing with DSE	:	6 <sup>th</sup> January, 2015
Date of Listing with CSE	:	15 <sup>th</sup> December, 2014
Auditors	:	M/s. Islam Quzi Shafique & Co, Chartered Accountant, Al-Haj Shamsuddin Mansion, 4 <sup>th</sup> Floor, Room # C, 17 New Eskaton Road, Mogbazar, Dhaka-1000.
Lead Bankers	:	Bank Asia Ltd., Social Islami Bank Ltd., Meghna Bank Ltd.
Corporate Office	:	House # 51, ABC North Ridge, Level #5 , Road # 15, Rabindra Sarani, Sector # 03, Uttara, Dhaka-1230 Phone:+88-02-48950746, Fax : +88-02-58955257
Registered & Factory Address	:	Baniarchala, Memberbari, Bhabanipur, Gazipur, Bangladesh
Email	:	general@nationalgroup-bd.com
Website	:	www.nationalgroup-bd.com



# Factory Highlights





## National Feed Mill Limited

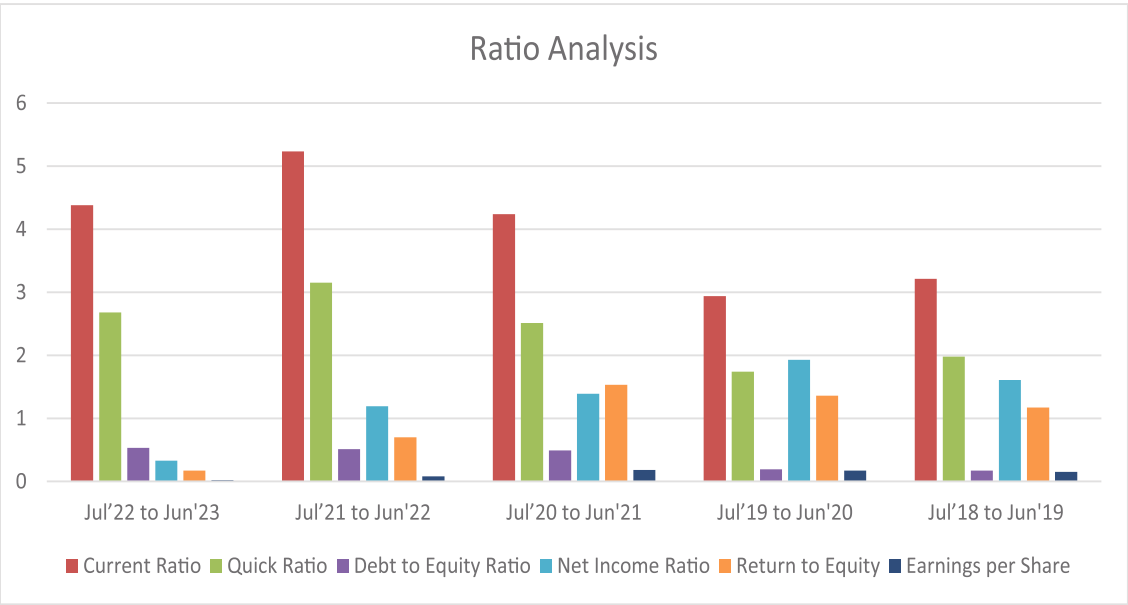
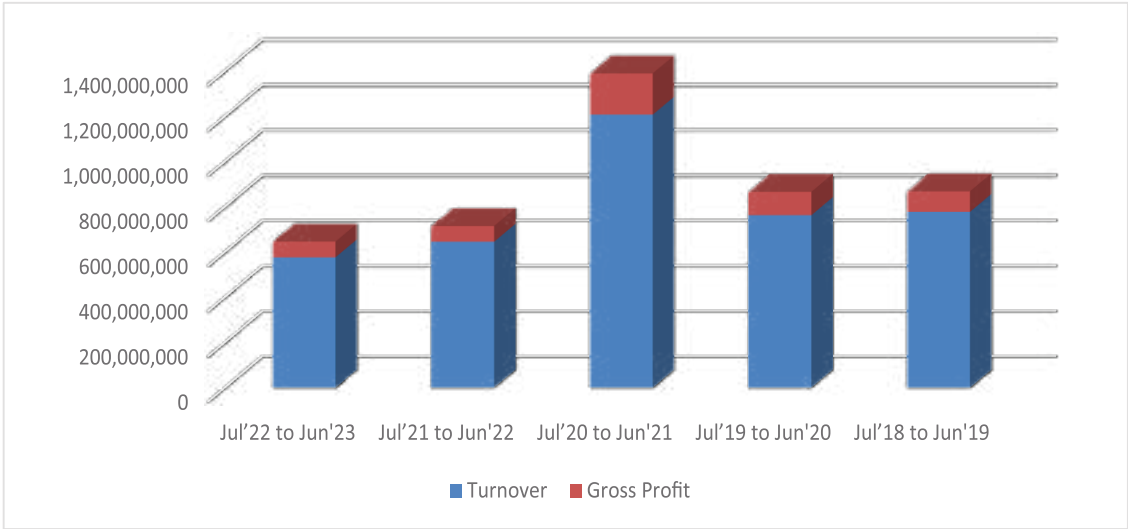
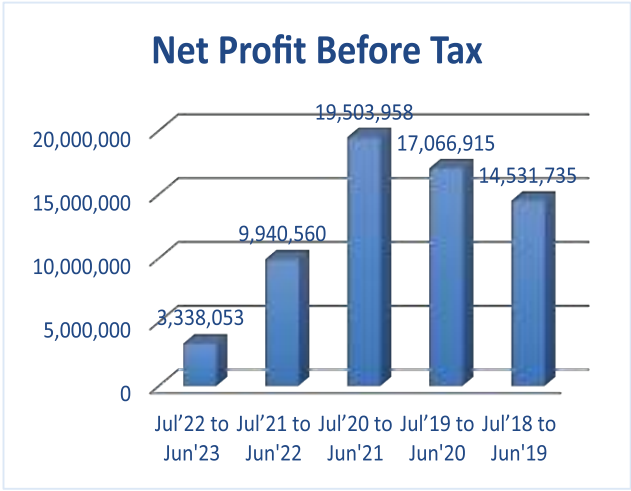
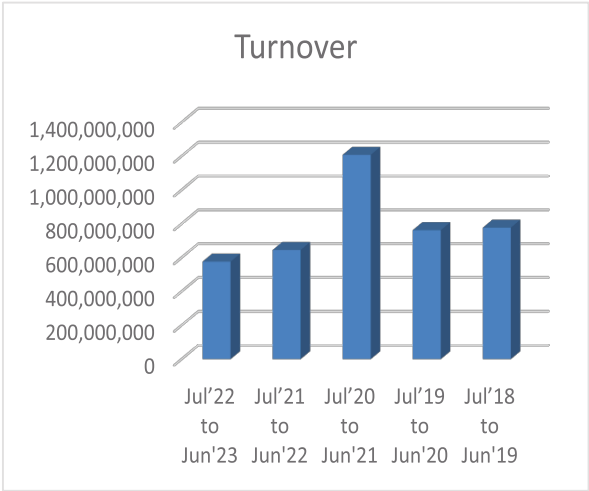


### Five Years Financial Summary

Operational Result	Jul'22 to Jun'23	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19
Turnover	576,624,723	645,628,451	1,207,557,628	762,847,130	777,619,583
Gross Profit	69,507,088	69,297,574	182,201,641	103,445,927	90,677,459
Profit from Operation	49,135,677	51,415,922	64,954,053	85,131,009	67,850,649
Net Profit Before Tax	3,338,053	9,940,560	19,503,958	17,066,915	14,531,735
Net Profit After Tax	1,874,805	7,656,743	16,804,050	14,715,790	12,557,210
Net Cash Flow from Operation	27,312,933	8,157,659	48,083,079	4,724,409	11,521,860

Financial Position	Jul'22 to Jun'23	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19
Non Current Assets	307,782,785	319,053,356	339,988,221	333,650,065	347,137,720
Current Assets	1,500,608,346	1,469,396,594	1,437,810,600	1,403,986,619	1,308,061,217
Share Holders Equity	1,099,993,019	1,104,616,155	1,097,417,190	1,092,069,444	1,077,353,654
Long Term Liability	348,421,240	385,126,886	322,410,663	149,519,787	151,114,002

Key Financial Ratio	Jul'22 to Jun'23	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19
Current Ratio	4.38	5.23	4.24	2.94	3.21
Quick Ratio	2.68	3.15	2.51	1.74	1.98
Debt to Equity Ratio	0.53	0.51	0.49	0.19	0.17
Net Income Ratio	0.33	1.19	1.39	1.93	1.61
Return to Equity	0.17	0.70	1.53	1.36	1.17
Earnings per Share	0.02	0.08	0.18	0.17	0.15



## National Feed Mill Limited

### *National Feed Mill Ltd. at a Glance....*

National Feed Mill Limited (NFML) incorporated in Bangladesh on 22<sup>nd</sup> December in 1999 as a Private limited company under the company act 1994 and subsequently it has converted into public Limited Company on June 22 2011. NFML is the country's leading Feed Manufacturing Industry, producing Various types of Poultry feed, fish feed & cattle feed.

NFML incorporated in 1999 as a Private Limited Company and arranged necessary financing from the financial institutions to procure Plant, machineries and to develop utility facilities. To complete land development, infrastructure development, pre-operational works and also plant & machinery installation works, it took more than two years to complete the same. After completion of all these works, the company started its commercial operation on October 27, 2003. NFML initially started its commercial operation with the brand new imported machinery from Denmark and initial production capacity was 5.00 MT per hour. To meet growing demand Company expanded its production capacity to another 10.00 MT per hour by setting up 2 new units in the year 2007 and 2008. In the year 2011 NFML installed another locally fabricated 3.00 MT per hour capacity machine. Presently, total production capacity of the company stands at 18 MT per hour. The brand name of the feed products of the company is 'National Feed'.

#### Our Products:

We are mainly producing feeds for livestock.

1. Broiler Feed : Feeds is used for broiler chicken.
2. Layer Feed : Layer Feeds is used for layer chicken.
3. Fish Feed : Fish Feeds are used for all types of fish.
4. Floating Feed: Floating Feeds are used for all types of fish.
5. Cattle Feed : Cattle Feed are used for all types of cattle.

National Feed Mill Ltd. converted itself as a public limited company and listed in Chittagong Stock Exchange Ltd. (CSE) and Dhaka Stock Exchange Ltd. (DSE) on December 15, 2014 and January 06, 2015 accordingly. After receiving Initial Public Offering (IPO) proceeds, Company installed 2.00 Metric Ton per Hour Capacity Seed Crushing Plant to produce Soyabean cake and Soyabean oil, which are fully used as company raw material for various feed production. Total capacity of the seed Crushing Plant is 1248 MT per month. The plant started its commercial production from May 15, 2016.

# VISION MISSION OBJECTIVE



We believe to be the leading Feed Mills of the country to thrive our livestock.

Producing quality product, causing no harm to environment, to cater the solution of Feeding to livestock.

- ❖ To give emphasis on continuous development and value addition to be leading feed producer along with serving as a catalyst in the Bangladesh's livestock industry.
- ❖ To focus on regular expansion of the project with advanced technology.
- ❖ To protect shareholders' interest as well as maximize the wealth of the organization.
- ❖ To practice good governance in every sphere of activities.



## National Feed Mill Limited

# BOARD OF DIRECTORS & MANAGEMENT OF THE COMPANY

### *Board of Directors....*

Mrs. Farida Jahan Babul	Chairman
Mr. Akther Hossain Babul	Managing Director
Mr. Adib Hossain babul	Director
Mr. RezaulKarim	Director
Mrs. Lipi Sultana karim	Director
Mr. Md. Ziaur Rahman Mazumder	Independent Director
Mr. Mahbub Hasan	Independent Director

### **Audit Committee...**

Mr. Md. Ziaur Rahman Mazumder	Chairman
Independent Director	
Mr. Rezaul Karim	Member
Director	
Mrs. Lipi Sultana karim	Member
Director	
Mr. Md. Arifur Rahman	Member Secretary
Company Secretary	

### **Nomination & Remuneration Committee (NRC)**

Mr. Mahbub Hasan, Independent Director	Chairman
Mr. Adib Hossain Babul, Director	Member
Mrs. Lipi Sultana Karim, Director	Member
Mr. Md. Arifur Rahman, Company Secretary	Member Secretary

### **Chief Financial Officer**

Mr. Md. Firoj Alam

### **Company Secretary**

Mr. Md. Arifur Rahman

## ***Profile of the Board of Directors***



### **Mrs. Farida Jahan Babul**

#### **Chairman**

Mrs. Babul, is an active woman entrepreneur in Bangladesh, who has been the Chairman of the board since 2002. She has been in the board promoting the National brand's growth within the poultry and agribusiness sectors.

With a strong enthusiasm for education, she works to help underprivileged children get an access to education both in Dhaka city, and her home district of Shariatpur. She graduated with a bachelors in Economics from Eden College in 1991.

### **Mr. Akther Hossain Babul**

#### **Managing Director**

Mr. Babul is the Managing Director of National Feed Mill and is one of the most prominent businessmen within the Bangladeshi poultry and poultry feed sector. It was after his decision to come back to Bangladesh from the US in the 1990's that gave birth to National Feed Mill Limited when he decided to invest his life savings from his time in the US as equity in National Feed Mills he saw prospects in an untapped feed sector. He is credited to be one of the pioneers within the poultry and feed sectors, contributing to making poultry and feed formal industrial sectors within the economy. His strong vision of backward linkage, helped National grow to be one of the biggest integrated agribusiness company within the country. He is the founder of National Feed Mill limited and is a majority stakeholder for his enterprises.

An avid learner, and a philanthropist, he enjoys giving back to the community in the Gazipur area and his hometown of Dohar, Dhaka.



### **Mr. Adib Hossain Babul**

#### **Director**

Mr. Adib Hossain Babul is the Director of the Company. He is the son of Mr. Akther Hossain Babul & Mrs. Farida Jahan Babul. He is especially involved with the company's international relations and trading. He helped partner National with Milwhite Inc, a Texas based feed additive company, and has helped National engage in business with the agricultural giant ADM (Archer Daniels Midland).

Adib Hossain Babul graduated with a bachelor's of Science degree in Marketing from the Pennsylvania State University, with a concentration in Finance. He also co-Founded Lion view Capital Management, a Pennsylvania based hedge fund in 2015 and served as its Co- Manager. He has also worked in the Vanguard Group in Malvern, Pennsylvania, one of the largest asset management companies in the world. He is also a member of the Executive Committee of the Bangladesh Association of Publicly Listed Companies (BAPLC).

## National Feed Mill Limited



### Mr. Rezaul Karim

#### Director

Mr. Rezaul Karim is one of the Directors of the Company. He is a visionary person and successful entrepreneur. He has more than 28 years of experiences in different business at home and abroad. Mr. Karim is obtained his graduation degree in commerce.



### Mrs. Lipi Sultana Karim

#### Director

Mrs. Lipi Sultana Karim is wife of Mr. Rezaul Karim. She is actively engaged in the agro sector for several years. Mrs. Karim is the Director of National Feed Mill Limited.



### Mr. Md. Ziaur Rahman Mazumder

#### Independent Director

Mr. Md. Ziaur Rahman Mazumder, has been appointed as the independent director of the company. He has taken his BSC degree from Jagannath University. After completion of his education he started his career as a Banker and he also completed Banking Diploma Mr. Md. Ziaur Rahman Mazumder has around 26 years' experience in the banking Sector with Senior level management capacity, namely Social Islami Bank Ltd., He has participated in various seminars, conferences in Bangladesh.

### Mr. Mahbub Hasan

#### Independent Director

Mr. Mahbub Hasan, is another independent director of the company. He has taken his LLM degree from University of Dhaka after acquired Law Degree Mr. Mahbub Hasan Started his Law carrier. He is an advocate in Supreme Court of Bangladesh and the executive member of court reporter association. He engaged as an advocate in the Dhaka Judge Court about 17 years.



### Director's Involvements in Companies

Mrs. Farida Jahan Babul	Chairman, National Feed Mill Limited Director, National Hatchery Limited Director, Karnopur Agro Industries Limited
Mr. Akther Hossain Babul	Managing Director, National Feed Mill Limited Chairman, National Hatchery Limited Director, Karnopur Agro Industries Limited
Mr. Adib Hossain Babul	Director, National Feed Mill Limited
Mr. Rezaul Karim	Director, National Feed Mill Limited Director, National Hatchery Limited
Mrs. Lipy Sultana Karim	Director, National Feed Mill Limited
Md. Ziaur Rahman Mazumder	Independent Director, National feed Mill Limited
Mr. Mahbub Hasan	Independent Director, National feed Mill Limited



## *Message from the Chairman*

Bismillahir Rahmanir Rahim

Dear honorable shareholders,

It is my privilege to cordially welcome all our valuable shareholders on the Special occasion of the 23<sup>rd</sup> Annual General Meeting of our Company where ‘In Shaa Allah’ we will be presenting the Annual Report of National Feed Mill Limited for the years 2022-2023. On behalf of the board of director’s I convey my gratitude to all our valued shareholders for their continued support towards the company over the past years.

As you all know, due to the crisis of the US Dollar along with the Russia & Ukraine War, the global economies are in a downturn and the increase of raw materials cost due to disruptions in the international supply chain, directly affected the manufacturing of locally consumed goods.

During the global turmoil situation, in the financial year of 2022-2023 the Company’s net sales have decreased to 576,624,723 Taka compared to 645,628,451 Taka in the financial year of 2021-2022. Total assets have increased to 1,808,391,130 from 1,788,449,950. EPS is Taka 0.02 compared to tk.0.08 from the previous period. NAV is tk. 11.78 per share compared to tk.11.83 in the last 12-month period.

Dear Shareholders,

Due to the devaluation of the local currency against the US dollar, along with the Russia & Ukraine War, the cost of raw materials for the manufacturing of animal feed have increased in price. As a result, this has increased our cost of production, which caused us to increase feed price that negatively affected revenue growth, which expedited the negative run of our EPS growth against the prior period. The management of the company has adopted strategies, focusing on efficient production and cash sales, while strictly monitoring the credit sales, which resulted in the negative/declining revenue growth for the year.

The board of directors are not in a position to declare any dividend for the shareholders for the year ended June 30, 2023.

The Board of Directors of National Feed Mill Limited have always focused on maximizing shareholders’ value through the formulation of policies and guidance to ensure sustainable profitability, prudent risk management and good governance. As the Chairman of your Company, my objectives are to make sure that the Board of Directors actively continue to play their due part in the coming years In Shaa Allah..

On behalf of the Board of Directors, I would like to take this opportunity to thank all our Regulators, the Bangladesh Securities and Exchange Commission and the Stock Exchanges, NBR, and other Regulatory Authorities of the Government of the People’s Republic of Bangladesh for their continued guidance and support. I would also like to thank each and every employee of the Company along with our Auditor’s for



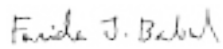
## National Feed Mill Limited

their hard work. I remain personally grateful to the honorable members of the Board for having vested their confidence in my leadership and for their immense support and guidance.

Dear Shareholders,

Finally, I would like to express my heartfelt thanks to our shareholders, customers and employees. We are grateful for your ongoing support, dedication, commitment and loyalty. My gratitude also goes to our stakeholders for their unwavering trust and support over the years.

Sincerely,



(Farida Jahan Babul)  
Chairman

## ***Director's Report***

Dear Shareholders,  
Assalamu Alaikum,

The Board of Directors of National Feed Mill Limited is pleased to present the Audited Financial Statements of the Company for the year ended 30th June 2023, Notes of Accounts, the Statutory Auditors' Report thereon along with Company's Performance, Corporate Governance Statement, Compliance Report, Nomination and Remuneration Committee Report and other matters in terms of Companies Act 1994, International Accounting Standards, the guideline issued by Bangladesh Securities and Exchange Commission, Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited and other applicable Rules and regulations for your valued consideration, approval and adoption.

### **BACKGROUND**

National Feed Mill Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on December 22, 1999 [Registration No. C-39289(1247)/99] and has been converted into a Public Limited Company on June 22, 2011 under the Companies Act, 1994. The Authorized capital of the company is Tk. 2,000.00 million and paid up taka 933.61 million.

### **INDUSTRY OUTLOOK**

As per the Ministry of Fisheries & Livestock of Bangladesh, the per capita meat consumption is 830 grams and the feed industry's contribution to the GDP is 1.90 percent. Moreover 20% (twenty percent) of the country's population is directly and 50% (fifty percent) of the population are indirectly dependent on this sector.

The growth opportunity for the feed sector in our country is immense. This industry can provide various opportunities to increase GDP growth rate and promote equitable distribution through arranging food security as well as ensuring self-employment, creating purchasing power and reducing poverty at a large scale.

As Bangladesh is one of the high density Countries of the world with a population of 160 million, the demand of feed products will increase continuously to meet the huge protein requirement of the people. The major portion of this increasing demand for feed items will have to be met by mechanized feed millers whereas the home mix producers will have to take care of the rest. However, the industry is going through a stress test because of the currency devaluation, increased raw material and finished goods price, that contracted demand momentarily for this year, but we remain optimistic as we operate in an essential industry which plays a vital role in providing the food security of the country.

### **Financial results**

The Company's reported sales of Taka 576,624,723 in 30th June 2023, against Taka 645,628,451 reported in 30th June 2022. Gross profit Taka 69,507,088 in 30th June 2023 against Taka 69,297,574 reported in 30th June 2022. Net profit after tax Taka 1,874,805 in 30th June 2023 stood against Taka 7,656,743 achieved in 30th June 2022.

## National Feed Mill Limited

The company's financial performances for the year period from 1st July 2022 to 30th June 2023 as compared to previous year are summarized hereunder:

Particulars	1 <sup>st</sup> July 2022 to 30 <sup>th</sup> June 2023	1 <sup>st</sup> July 2021 to 30 <sup>th</sup> June 2022
Turnover	576,624,723	645,628,451
Gross Profit	69,507,088	69,297,574
Provision for Tax	1,887,580	2,869,085
Net Profit After Tax	1,874,805	7,656,743
Gross Profit Margin	12.05	10.73
Net Profit Margin	0.33	1.19
Earnings Per Share	0.02	0.08
Number of Shares used to compute EPS	93,361,324	93,361,324

During this year, EPS has decreased significantly against the prior period, due to Company's negative revenue growth, due to slowdown in the global economies and increase of materials cost due to disruption in international supply chain for crisis of US Dollar and also Russia & Ukraine War. Moreover, Gas & Electricity price hike affecting the cost of production. Earnings per Share (EPS) are Tk. 0.02 & Tk. 0.08 for the financial year 2022-2023 & 2021-2022 the current year's EPS has decreased significantly against the last Year.

NOCFPS has increased due to collection against sales being higher than payment to suppliers and realization of advance, deposit and prepayment, taxes paid and loan installments were lower than the previous year.

Net Asset Value Per Share has also been decreased due to declining of net profit during the year.

### Segment- wise Revenue Earning.

Particulars	1st July 22 – June'23	1st July 21 – June'22
Broiler Feed	229,816,726	281,751,367
Layer Feed	197,648,852	221,571,066
Fish Feed	63,818,561	49,728,627
Cattle Feed	29,612,397	31,562,745
Feed Processing	4,659,041	25,760,237
Floating Feed	51,069,146	35,254,409

### Risk and concerns

The company is always identifying the key business risks and ensures the mitigation plans of those risks. The management of the company reviewed and adopted the best practices of the industry that enable the company to achieve its ultimate objectives. We gave a detailed discussion regarding various types of risk & the mitigating procedures of risk and action taken in line with that in Page No 28-29 of the Annual Reports.

### Explanation on any reservation, qualification or adverse remarks

In the Audited Financial Statements for the Years 2022-2023 Auditor's given qualified Opinion and express emphasis of matter as under:

### Basis for Qualified Opinion

1. We draw attention to note no. 7.00 in the Statement of Financial Position where “**Accounts Receivables**” shown amount Tk. 885,742,293 as at June 30, 2023 but the management of the company did not write-off or make any provision against the uncollectible receivable amount according to the IFRS-9 Para-5.5.1 & 5.5.9. This amount is Certified by management. We have sent the balance confirmation to the client about the Receivable and Payable amount of Tk. 40,430,719 but not yet received any confirmation till the reporting date.
2. The management of the company made a provision as **WPPF** of 5% on its Net Profit Before Tax according to the Bangladesh Labor Act 2006 (Amended 2013) but no payment has been made as per provisions of the law which is a non-compliance of the said act. The Company is required to pay to the Participation Fund, The Welfare Fund, and the Fund established under section 14 of Bangladesh Workers Welfare Foundation Act, 2006, not later than six months from the end of the financial year at the ratio of 80:10:10 respectively.
3. We draw attention to note no. 12.00 in the Statement of Financial Position where “**General Reserve**” shows the amount Tk. 6,190,000 but no documents were found during the audit. According to notes disclosure about the General Reserve it was invested in Govt. Bonds but no documents were found and also was not shown as Investment either.

### Emphasis of Matters

Without qualifying our opinion, we would like to draw attention to the following matters:

1. As per **Note: 8.01** of Advance, Deposits and Prepayments (Balance with Related Parties), Tk. 15,920,621 has been given to Related Parties as Advances. Out of the balance Tk. 1,281,605 is of **Karnopur Agro Industries Ltd.** and Tk. 14,639,016 is of **National Hatchery Ltd.** which has been given without business consideration. However, we have seen the balance to be in a decreased trend.
2. We draw attention note no. 6.00 where “**Inventory**” shows an amount Tk. 583,189,555 as at June 30, 2023 in the Statement of Financial Position. Due to the huge inventory in stock in the Factory, we physically counted the Inventory on a test basis and management of the company certified the inventory balances shown in the financial statements.

### Our Explanation regarding Qualified audit opinion and Emphasis of Matters:

1. **Accounts Receivable:** As on June 30, 2023 Accounts Receivable (Note 7.00) Taka 885,742,293. During the global turmoil situation (crisis of the US Dollar along with the Russia & Ukraine War), the consumers of feed and dealers have been negatively impacted. So the consumer and dealer are not in a position to buy on cash and adjust their credit. As per management assertion, the above receivable represents due from various parties against sales and considered as collectable. During the period the Company didn't write-off or make any provision against the uncollectible receivable amount.
2. **WPPF:** Company made a provision as WPPF of @5% on its net Profit Before Tax according to Bangladesh Labor Act 2006 (Amended 2013), but no payment has been made as per provisions of law, which is noncompliance with the Said Act. The Company was trying to accommodate this



## National Feed Mill Limited

payment, but due to financial hardship, it has not happened. we can pay the said WPPF as soon as possible In Shaa Allah.

3. **General Reserve:** As per Government Policy (SRO-206/আইন/আয়কর/2005) the Company enjoyed Tax Holiday until June, 2010 and as per SRO terms & conditions during that time the Company invested @5% of its Net Profit in Government Bonds. After maturity of these Bonds the total investment amount with profit was kept as General Reserve and these amounts were absorbed in the Working Capital.
4. **Related Parties Advance:** Company provided some Advance to related parties KAIL & NHL. The Company has been gradually realizing these related parties' advances, and hopes that in the year 2023-2024 there will be no such advance in the Accounts of NFML. As per Audited Financial Statements of 2022-2023 the present outstanding amount is as under.

	30.06.2023 Taka	30.06.2022 Taka
Karnapur Agro Industries Limited	1,281,605	3,032,641
National hatchery Limited	14,639,016	35,808,129
Total Taka	15,920,621	38,840,770

5. **Inventory:** Inventory amount stands at Taka 583,189,555. Due to the huge Inventory in Stock in the factory, the Auditor conducted test basis physically count. After the test basis physical verification, the Company Certified the Inventory balance.

### A discussion on Cost of Goods Sold, Gross Profit and Net Profit

Particulars	1 <sup>st</sup> July 22 – 30 <sup>th</sup> June'23	1 <sup>st</sup> July 21 – 30 <sup>th</sup> June'22
Cost of Goods Sold	507,117,635	576,330,877
Gross Profit	69,507,088	69,297,574
Net Profit	1,874,805	7,656,743

### Discussion on continuity of extraordinary gain or loss

Extraordinary gains or losses refer to infrequent and unusual gain or loss. As for the Company, there was no such gain or loss during the year under reporting.

### Related Party Transaction

Related party transactions are presented in note no 8.01 of the financial statements.

**Compliance of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.**

### Board Size:

The number of members of the Board of Directors stands at 07 (including Two Independent Director) which are within the limits given by BSEC.

## National Feed Mill Limited

**Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance as follows:**

<b>Company Secretary</b>	: Md. Arifur Rahman
<b>Chief Financial Officer</b>	: Md. Firoj Alam
<b>Head of Internal Audit &amp; Compliances</b>	: Mahamudullah

### External Statutory Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors for the company.

### Maintaining a website

The company has been maintaining an official website, i.e. [www.nationalgroup-bd.com](http://www.nationalgroup-bd.com) which is linked with the website of the stock exchange.

### Subsidiary Company

The company has no subsidiary company.

### Duties of CEO & CFO

The provision of BSEC regulations have been compiled in the Annual Report.

### Directors' Appointment and Re-Appointment

With regard to the appointment, retirement and re appointment of directors, the company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board will retire in the annual general meeting and both are eligible for re-appointment. The directors are:

1. Mr. Adib Hossain Babul
2. Mr. Rezaul Karim

### The Pattern of Shareholding

As per condition 1(5)(xxiii) of the corporate governance code issued by BSEC, the shareholding pattern as on 30 June, 2023 is shown as below:

Name of the shareholders	Position	Shares Held	%
<b>A. Parent/Subsidiary/Associated companies and other related parties</b>			
<b>B. Directors Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit &amp; Compliances and their Spouse and Minor Children</b>			
Farida Jahan Babul	Chairman	4,005,157	4.29%
Akther Hossain Babul	Managing Director	16,283,330	17.44%
Adib Hossain Babul	Director	4,324,370	4.63%
Rezaul Karim	Director	1,884,530	2.02%
Lipy Sultana Karim	Director	1,884,530	2.02%

## National Feed Mill Limited

Md. Ziaur Rahman Mazumder	Independent Director	Nil	-
Mahbub Hasan	Independent Director	Nil	-
Md. Firoj Alam	Chief Financial Officer	Nil	-
Md. Arifur Rahman	Company Secretary	Nil	-
Mahamudullah	Head of internal Audit & Compliances	Nil	-
<b>C. Executives (Top 5 Salaried employees)</b>			-
Md. Khalequzzaman	Nil	Nil	Nil
Md. Anower Hossain	Nil	Nil	Nil
Mirza Nurul Amin	Nil	Nil	Nil
Nur Muhammad Nayeem Siddique	Nil	Nil	Nil
Md. Jahidul Islam	Nil	Nil	Nil
<b>D. Shareholders holding 10% or more voting interest in the company:</b>			
Akther Hossain babul	Managing Director	16,283,330	17.44%

### Board Meeting and Attendance

During the year 7 (Eight) Board Meetings were held. The attendance record of the directors is as given below.

Name of the Directors	Attendance
Mrs. Farida Jahan Babul	7
Mr. Akther Hossain Babul	7
Mr. Adib Hossain Babul	7
Mr. Rezaul Karim	7
Mrs. Lipi Sultana Karim	7
Mr. Md. Ziaur Rahman Mazumder	6
Mr. Mahbub Hasan	6

### Code of conduct

In compliance with the conditions of the corporate governance code, the Board has laid down a code of conduct for the Chairman of the Board and other Board members of the Company and annual compliance of the code is recorded accordingly. The code of conduct on Page 30-31 of this annual report.

### Management Dissuasion and Analysis:

A detailed management's discussion and analysis is given in page no 24-26 of the annual report.

### **Declaration by MD and CFO**

In accordance with the conditions of corporate governance code, a declaration on financial statements for the year ended June 30, 2023 duly signed by the MD and CFO is included on Annexure-A of this annual report.

### **Reporting and Compliance of Corporate Governance**

The company has complied with the condition of the corporate governance code 2018 of the Bangladesh Securities and Exchange Commission Dated June 03, 2018. Details Compliance Status on Corporate governance code along with the corporate governance code Certificate is shown as corporate governance Annexure B & C of this annual report.

### **Directors Remuneration**

Directors Remuneration shown in accounts note # 35.02. During the year ended 30 June 2023, the Company did not pay any remuneration to the independent director except Board meeting attendance fees.

### **Directors statements on Financial reports:**

**In accordance with the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June,2018, the Directors are pleased to confirm the following:**

- i. The financial statements together with notes thereon have been drawn up in conformity with the Companies Act. 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the company's state of affairs, the result of its operations, cash flow and changes in equity.
- ii. Proper books and accounts of the company have been maintained.
- iii. Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- iv. The International Financial Reporting standards, as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- v. The system of internal control is sound and has been implemented and monitored effectively.
- vi. No bonus shares or stock dividend has been or shall be declared as interim dividend.
- vii. Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

### **Internal Control**

The Board has ultimate responsibilities to establish the effective system of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the company already has a strong internal audit department to ensure internal control and compliance.

### **Going Concern**

While approving the financial statements, the directors have made appropriate enquiries and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the

## National Feed Mill Limited

company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resources to continue its operation consistently for the foreseeable future 'In Shaa Allah'. Therefore, the company adopted the going concern basis in preparing the financial statements.

### Significant deviation of Operating Result

Significant deviation from the last year's operating result of the Company has been discussed in the accounts note *No. 2.13 & 2.14*

### Dividend

The board of directors declared no dividend for the shareholders for the year ended June 30, 2023, which 'In Shaa Allah' will be approval of shareholders at the ensuing Annual General Meeting.

### Reason for No Dividend

Last Financial Year i.e 2022-2023 Company's net profit after tax was only Taka 1,874,805 which was not enough to declare any cash dividend for the valued Shareholders against their investment. To meet growing Working Capital Demand and to overcome the present financial challenges (FOREX Crisis) Company retained this net profit and declared no cash dividend for this year.

### Statutory Auditors

The Auditors of the Company, M/s. Islam Quzi Shafique & Co, Chartered Accountant, Al-Haj Shamsuddin Mansion, 4<sup>th</sup> Floor, Room # C, 17 New Eskaton Road, Mogbazar, Dhaka-10000, was appointed as Auditor of the Company in the 22<sup>nd</sup> Annual General Meeting of the Company that carried out the audit for the year ended 30 June 2023.

M/s. Islam Quzi Shafique & Co, Chartered Accountant, Al-Haj Shamsuddin Mansion, 4<sup>th</sup> Floor, Room # C, 17 New Eskaton Road, Mogbazar, Dhaka-1000, the auditor of the Company retired at this meeting and expressed their willingness to be re-appointed for the year 2023-2024. The Board after due consideration of the proposal made by the Audit Committee recommends for appointment to M/s. Islam Quzi Shafique & Co, Chartered Accountant, Al-Haj Shamsuddin Mansion, 4<sup>th</sup> Floor, Room # C, 17 New Eskaton Road, Mogbazar, Dhaka-10000, as statutory audit for the year 2023-2024.

### Professionals for Compliance of Corporate Governance Code

The board has appointed M/s Dewan Nazrul Islam Chartered Accountants, Hasan Court(10<sup>th</sup> floor), 23/A Motijheel C/A, Dhaka-1000 who were appointed as professional as for Report on Compliance of Corporate Governance Codes of the company in the 22<sup>nd</sup> Annual General Meeting of the Company has carried out for the year ended 30 June 2023. They also expressed their willingness for Report on Compliance of Corporate Governance Codes of the company for the financial year 2023-2024. The Board after due consideration of the proposal made by Audit Committee recommends for appointment M/s Dewan Nazrul Islam Chartered Accountants, Hasan Court(10<sup>th</sup> floor), 23/A Motijheel C/A, Dhaka-1000 as a professional for Report on Compliance of Corporate Governance Codes of the company for the financial year 2023-2024.

## National Feed Mill Limited

I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to our entire valued clients, shareholders and well-wishers home and abroad for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the year.

I also thank the Registrar of Joint Stock Companies & Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE), Government and private sector Organization and many others for their sincere support and whole hearted cooperation to our company.

I, on behalf of the Board, also put on record my deep appreciation for the services and loyalty of the executives, officers and employees of the company at all levels without which we could not have achieved this result. Thanks are also due to all directors, all executives, officers, staff and workers of the company for their excellent, sincere, dedicated efforts in achieving the company's target during the year. To ensure financial security we always welcome your suggestions and opinion to improve present and future services of the company. Considering the current economic situation of the country, we have to Increase working capital at the moment

I would like to appeal to the valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Financial Statements for the year of 1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023 and Directors' Report placed before you.

Thanking you,  
On behalf of the Board of Directors,



**Farida Jahan Babul**  
Chairman



## National Feed Mill Limited

### Management Discussion and Analysis on Financial Position and Performance

The last five financial years' sales were not consistent. The worldwide financial recession and political crisis fueled our sector's raw material input prices which resulted in an unstable sales growth. The sales stood in the year is Tk. 576,624,723 Profit from Operations is Tk. 49,135,677 Net profit after tax is Tk. 1,874,805. In the last five financial years, net operating cash flow per share was positive. In the backdrop of the above scenario, it indicates the company has good promise in the long run.

Accounting policy and estimation for preparing financial statements have remained the same as it was before. Hence, there is no effect in this regard.

#### Comparative analysis of financial performance and position of the company

Comparative financial data of preceding five years are given below:

Particulars	Jul'22 to Jun'23	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19
Turnover	576,624,723	645,628,451	1,207,557,628	762,847,130	777,619,583
Gross Profit	69,507,088	69,297,574	182,201,641	103,445,927	90,677,459
Net Profit Before Tax	3,338,053	9,940,560	19,503,958	17,066,915	14,531,735
Net Profit After Tax	1,874,805	7,656,743	16,804,050	14,715,790	12,557,210
Earnings Per Share (EPS)	0.02	0.08	0.18	0.17	0.15
Net Cash Flow from Operation	27,312,933	8,157,659	48,083,079	4,724,409	11,521,860
NOCFPS	0.29	0.09	0.52	0.06	0.14
Net Asset Value (NAV)	1,099,993,019	1,104,616,155	1,097,417,190	1,092,069,444	1,077,353,654
Net Asset Value Per Share( NAVPS)	11.78	11.83	11.87	12.76	12.71

#### Turnover:

This year's negative revenue and drop in Earnings is a direct result of the devaluation of the Bangladeshi Taka to the US dollar, which caused an instability in the global commodity markets. Moreover, during this year's worldwide turmoil, the cost of Raw materials increased substantially, which directly affected the manufacturing of locally consumed goods.

#### Earnings per Share:

EPS has decreased due to slowdown in the global economies and increase of materials cost due to disruption in the international supply chain for the US Dollar and also Russia & Ukraine War. Moreover, Gas & Electricity price hikes had significant impacts, affecting the cost of production.

**Net Operating Cash Flow Per Share (NOCFPS):**

NOCFPS has increased due to collection against sales being higher than payment to suppliers and realization of advance, deposit and prepayment, taxes paid and loan installments were lower than the previous year.

**Net Asset Value per Share (NAVPS):**

Net Asset Value per Share has also decreased due to decline in net profit during this year.

**Financial Scenario of National Feed Mills Ltd, and Index Agro Industries Ltd. are as follows.**

Indicator	2022-2023		2021-2022	
	NFML	Index Agro Industries Ltd.	NFML	NFML
Sales	576,624,723	4,191,025,405	645,628,451	4,154,327,729
Net Profit after Tax	1,874,805	246,645,244	7,656,743	240,594,522
Net Cash Flow Per Share	0.29	(1.23)	0.09	(1.45)
EPS	0.02	5.22	0.08	5.09
NAVPS	11.78	77.00	11.83	62.93

**Bangladesh economic Scenario:**

As an important sub-sector of livestock production, the poultry industry in Bangladesh plays a crucial role in economic growth and simultaneously creates numerous employment opportunities. The Poultry industry, as a fundamental part of animal production, is committed to supplying the nation with cheap sources of good quality nutritious animal protein in terms of meat and eggs.

As per Ministry of Fisheries & Livestock of Bangladesh, the per capita meat consumption on an average Bangladesh is amounted to 45.62 Kg. More than six million people in our country are directly or indirectly involved in poultry and fish production. The growth opportunity for the feed sector in our country is immense. This industry can provide various opportunities to increase GDP growth rate and equitable distribution through arranging food security as well as ensuring self-employment, creating purchasing power and reducing poverty at a large scale. As Bangladesh is one of the high density Countries of the world with a population of 160 million, the demand of feed products will increase continuously to meet the huge protein requirement of the people.

This industry has immense scope for the country through following points: i) Changing livelihood & food habit; ii) Reduction of dependence of meat related to Cow and goat, iii) Ultimately has a positive impact on the GDP growth rate of the country. The poultry industry has been making progress despite: i) Avian Influenza/bird flu outbreak; ii) Price rises of raw materials in the international market; iii) Lack of infrastructural support

## **National Feed Mill Limited**

### **Bangladesh economic Scenario:**

As per the Ministry of Fisheries & Livestock of Bangladesh, the per capita meat consumption on an average Bangladesh is amounted to 45.62 Kg. More than six million people in our country are directly or indirectly involved in poultry and fish production. The growth opportunity for the feed sector in our country is immense. This industry can provide various opportunities to increase GDP growth rate and equitable distribution through arranging food security as well as ensuring self-employment, creating purchasing power and reducing poverty at a large scale. As Bangladesh is one of the high density Countries of the world with a population of 160 million, the demand of feed products will increase continuously to meet the huge protein requirement of the people.

### **Global Economic scenario:**

The lingering effects of Covid-19, and ripple effects of the Russia-Ukraine conflict continues to disrupt the global trade of key food items such as wheat, Maize, Soya Seed and vegetable oils, along with fertilizers, heavily impacting the global economy. Bangladesh imports 44% of its corn and soybean supplies (computation based on FAOSTAT food balance sheet), and these too are seeing rising global prices. This impacts the feed sector in Bangladesh, increasing the production costs of poultry, cattle, and fish feed products—sectors already weakened by the pandemic.

### **Risk and concerns**

The detailed discussion regarding various types of risk & the mitigating procedures of risk and action taken in line with that in Page No 28-29 of the Annual Reports.

### **Future Plan:**

The Company has taken all sorts of feasible plans, strategies to continue the operation of the Company for foreseeable future and emphasis on continuous development and value addition to be a leading feed producer along with serving as a catalyst in Bangladesh's Livestock Industry.



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**Akther Hossain Babul**  
**Managing Director**

## Summary of Unpaid /Unclaimed Dividend

National Feed Mill Limited Declared 2% Cash Dividend (Without Sponsors) for the year ended June 30, 2020 & 1% Cash Dividend (Without Sponsors) for the year ended June 30, 2022. Most of the dividend amount were distributed through BEFTN, Online Transfers and dividend Warrants, but some of the amounts are unclaimed as follows:

Particulars	No Of Bo Holders	Amount
Net Cash Dividend for the year ended June 30, 2020		1,03,43,086
Paid Up to 30.06.2021		1,01,73,014
<b>Unclaimed Dividend for the year ended 30 June 2021</b>	<b>548</b>	<b>170,072</b>
Net Cash Dividend for the year ended June 30, 2022		56,10,290
Paid Up to 30.06.2023		54,65,325
<b>Unclaimed Dividend for the year ended 30 June 2023</b>	<b>1,355</b>	<b>315,037</b>

## **National Feed Mill Limited**

### **Risk Concern & Methodology to Control the threat**

#### **Risk Concern:**

Risk is defined as the chance of exposure to the adverse consequences of uncertain future events. This is an integral part of any organization. As a routine work the company's risk management team works intensively for the identification, assessment, and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor, and control the probability and/or impact of unfortunate events within the set limit. The risk management team always takes into consideration both internal and external factors while taking initiatives to control and mitigate risks considering threat to sustainability and negative impact on environment.

The company's risk management policies are established for identifying, assessing and controlling threats to an organization's capital and earnings. These threats, or risks, could stem from a wide variety of sources, including Credit Risk, Liquidity Risk, Interest Rate Risks, Exchange Rate Risks, Industry Risks, Market Risks and natural disasters. Some of these risks and their mitigation are discussed elaborately as under:

#### **Credit Risk**

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk that lies in the business as there is always lending and borrowing between parties in the form of money and goods.

#### **Liquidity Risk:**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

#### **Interest Rate Risks:**

Interest rate risk is the risk which is due to changes in interest rates on borrowing. The risk arises for fluctuation of floating interest rates. National Feed Mill Limited is exposed to the volatility of interest rate as it has Long Term Bank Loan.

#### **Exchange Rate Risks:**

Exchange rate risk is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when an investment's value changes due to the changes in currency exchange rates. Majority of the company's transactions are denominated in USD.



**Industry Risks:**

Industry risk is related to the factors affecting the company such as Raw Material, labor, demand of the product, government policy to the sector and market competition.

**Market Risks:**

Market risk is the risk that changes in market conditions, customer behavior, business reputation loss by the country, market prices, such as foreign exchange rates and interest rates will affect the company's income or value of its holding of financial instruments.

**Methodology to Control and mitigate risks considering threat**

**Credit Risk:**

Credit Risk mainly exist in Financial Institutions. National Feed Mill Limited Mainly manufactures fish feed and poultry feed. There is no such credit risk and the receivable from credit sales is collected on a monthly basis. The Company also maintains existing and projected cash flow analysis and financial ratio analysis.

**Liquidity Risk:**

National Feed Mill Limited has been dealing with its working capital in an efficient way, reviewing liquidity and funding profiles, activating contingency funding plans for handling liquidity crisis.

**Interest Rate Risks:**

In our country, right now, interest is in a downward trend which is beneficial for debt-financing because cost of capital has been less expensive than earlier. The company has been maintaining an effective foreign exchange policy, measuring currency risk from time to time, continuously monitoring. However, we are expecting to see a change in course in the interest rate environment in the coming months. Which may affect the economy for the coming year.

**Exchange Rate Risks:**

The Company procures raw materials mostly from local suppliers and its customers are local customers. Hence, the company is not directly exposed to Exchange Rate risk. However, the base raw materials procured from local suppliers are impact based, such as soybeans, which has seen an increase in price due to the devaluation of the local currency.

**Market Risks:**

Industry risk is inherent in any kind of business. There is a huge demand for poultry and fish feed. The Company also sets Policy with respect to risk appetite, prudence in terms of market volatility, customer feedback analysis, regular market survey and exposure management in different market scenarios.

On behalf of the Board of Directors,



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**Akther Hossain Babul**  
**Managing Director**

## **National Feed Mill Limited**

### **Code of Conduct**

The code of conduct for the chairperson, other Board members and Managing Director of National feed mill Limited has been formulated and adopted in compliance with the requirements of the condition 1(7) of corporate governance code Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated: 3 June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

This Code is intended to provide guidance to the Chairperson, other Board members and Managing Director to manage the affairs of the Company in an ethical manner. The Company confirms its desire to demonstrably lead and promote good ethical behavior and corporate governance and the purpose of this code is to recognize and emphasize upon the ethical behavior to develop a culture of honesty and accountability.

### **Prudent Conduct & Behavior**

The Chairperson, Other Board members and Managing Director 'In Shaa Allah' shall act honestly, ethically, in good faith and in the best interest of the company. Whilst carrying out the duties, the Chairperson, other Board members and Managing Director 'In Shaa Allah' shall ensure that it is executed in terms of the authorization granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Company from time to time.

The Chairperson, the Board members and Managing Director 'In Shaa Allah' shall refrain from indulging in any discriminatory practice or behavior based on race, sex, age, religion, ethnic or national origin, disability, or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance. The Chairperson, other Board members and Managing Director shall use the Company's assets, property, information and intellectual rights for business purposes of the Company and not for any personal benefits of gains.

### **Confidentiality:**

The company's confidential information 'In Shaa Allah' shall not be authorized by management of the company for public dissemination. All confidential information must be used for the Company's business purpose only. The information should be on public domain at the time of disclosure or is required to be discussed in accordance with applicable rules and regulations.

### **Conflict of Interest:**

The chairperson, other board members and managing director 'In Shaa Allah' shall not enter into any transaction which creates personal interest and all transactions having conflict of interest should be carried out in accordance with the laws. Board members are prohibited from engaging in any activities that are in conflict or harmful to the company and bestow their attention to the business interest of the company.

### **Compliance with laws Rules and Regulations:**

The chairperson, other board members and managing director 'In Shaa Allah' shall ensure Compliance with the regulatory requirements with applicable laws and regulations.

**Prohibition of insider trading:**

Members of the Board of the company 'In Shaa Allah' shall comply with the laws, rules and regulation governing trading shares of the company. They are not engaged in any insider trading in dealing with securities of the company which prohibits buying or selling on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person.

**Relationship with environment:**

Members of the Board of the company 'In Shaa Allah' shall provide a safe and better working environment and avoid the wasteful use of natural resources and minimize any hazardous impact of the production and disposal of its products on the ecological environment in accordance with the applicable laws.

**Relationship with Employees:**

The chairperson, other board members, and managing director 'In Shaa Allah' shall try to maintain cordial relationships with employees and they should assist the company to properly maintain its human resource policies.

**Relationship with customers:**

Members of the Board of the company ensures that the company supplies high quality products as per customers' needs and demands with due time and reviews the customer feedback, taking initiatives to solve the problems with the customers, if any.

**Relationship with Suppliers:**

The chairperson, other board members and managing director 'In Shaa Allah' shall have no relationship with any suppliers that might have conflict and be harmful to the company.

**Independency:**

The chairperson, other board members and managing director 'In Shaa Allah' should act impartially to the employees, suppliers, customers and shareholders. They should remain independent in all material aspects.

**Review the code of conduct:**

The code of conduct is reviewed on a yearly basis and the chairperson, other board members and managing director, have a duty to avoid any circumstances that would violate the code of conduct

Thanking you,

On behalf of the Board of Directors,



**Farida Jahan Babul**

Chairman

## National Feed Mill Limited

### Dividend Distribution Policy

The Board of Directors of National Feed Mill Limited has established a dividend policy, which forms **as per directive no. BSEC/CMRRCD/2021-386/03-, dated 14 January 2021 issued by the Bangladesh Securities and Exchange Commission (Commission). The Policy is intended to govern the distribution policy of dividend of the Company.**

The dividend of the company “In Shaa Allah” would be recommended by the Board of Directors and approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors. No dividend shall exceed the amount recommended by the Board of directors and shall not be paid other than out of profits of the year or any other undistributed profits “In Shaa Allah”. The Board has approved the following dividend policy:

#### Final dividend

The Board of Directors of the company shall recommend final dividend for the shareholders on the basis of annual audited financial statements and declare the shareholders who shall be entitled to such dividend “In Shaa Allah”.

#### Entitlement of dividend

The Board of Directors of the company shall recommend final dividend for the shareholders on the basis of annual audited financial statements and declare the shareholders who shall be entitled to such dividend “In Shaa Allah”.

The Shareholders whose names would appear in the Depository on the ‘Record Date’ would be entitled to join the AGM “In Shaa Allah”. And the Company shall disseminate the receipt of the Commission’s consent to issue bonus share or stock dividend as price sensitive information with in such time determined by the Commission in the consent letter, announcing or mentioned the record date for the purpose of determination of entitlement of such bonus share or Stock Dividend “In Shaa Allah”.

#### Cash dividend

The Cash dividend shall be distributed in the following manner and procedures “In Shaa Allah”:

1. Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Company.
2. Company shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
3. The Company may pay off such cash dividends through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.

4. Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, the Company shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stockbroker or to the separate bank account of the merchant banker or portfolio manager through BEFTN
5. In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, the Company shall issue cash dividend warrant and shall send it by post to the shareholders. The Company shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders.

### **Stock dividend**

National Feed Mill Limited "In Shaa Allah" shall credit stock dividend directly to the BO account of the entitled shareholders, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). The company shall follow the provisions of Regulation 46 of the Depository Regulation, 2003 for issuance of bonus shares. National Feed Mill Limited have been maintaining a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall follow the under mentioned procedures for ensuring the rightful ownership In Shaa Allah:

1. shall send at least 3 (three) reminders to the entitled shareholders.
2. The Suspense BO Account shall be Blocked and undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer.
3. Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
4. The company shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an information to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange PLC.
5. Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.



## **National Feed Mill Limited**

### **Payment of unclaimed or unpaid cash dividend and stock dividend:**

National Feed Mill Limited shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land inforce and shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders “In Shaa Allah”.

### **Submission of dividend distribution compliance report:**

Company shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format at Annexure-A in respect of the provision of Clause (2), (3), (4) and (5) above, within stipulated time of completion of dividend distribution to the entitled shareholders “In Shaa Allah”.



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**Akther Hossain Babul**  
**Managing Director**

## **Audit Committee Report:**

The Audit Committee of National Feed Mill Limited is appointed by the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC) notification. The Audit Committee ensures good governance of the Company and it is a sub-committee of the Board. The Audit Committee consists of three members, of which one is an independent director who is chairperson of the committee.

### **Formation and operation of the Committee**

The formation of the Audit Committee is primarily guided by a Charter approved by the Board of Directors that is based on the underlying Corporate laws and regulations, currently accepted best practice and latest corporate governance code of the Bangladesh Securities and Exchange Commission.

### **The Composition of the Audit Committee**

The terms of reference of the Audit Committee has been set up by the Board of Directors in accordance with Corporate Governance Code of BSEC notification no BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. The existing members of the committee are:

Chairman	:	Mr. Md. Ziaur Rahman Mazumder
Member	:	Mrs. Lipy Sultana Karim
Member	:	Mr. Rezaul Karim
Member Secretary	:	Mr. Arifur Rahman

### **Role of Audit Committee**

The Audit Committee is empowered with Boards oversight responsibility to investigate any activity within its terms of reference. The Committee reports to the Board of Directors as per terms of reference, on the activities assigned. The role of the committee includes:

- Review the financial statement with respect to presentation, disclosure and accuracy of data.
- Monitor and review effectiveness of internal and external audit.
- Review effectiveness of the financial internal control of the Company.
- Review effectiveness of the risk management system of the Company.
- Review ethical standards and procedures to ensure compliance with regulatory and financial reporting requirements.
- Any other activities as per the audit committee charter.

### **Committee Meeting and Attendance**

During the year 2022-2023 the Audit Committee of the Company held Four (4) meetings under review complying with the requirements. In all meetings the internal auditor gave a presentation to the committee which covered the internal audit plan, number of audits carried out during the year, audit observations, audit recommendations and status of its implementation. The Audit Committee also met external auditors to discuss their observations on statutory audit and their recommendations for improvement. The quorum shall

## National Feed Mill Limited

be not less than two directors, one of whom, at least, shall be independent director. Meetings of the Committee were attended by the Managing Director, Chief Financial Officer of the Company on invitation.

The audit committee may invite such other persons (e.g., the CEO, CFO, internal auditor) to its meetings, as it deems necessary. The external auditor shall sometimes, normally attend the meetings of the committee at which it communicates audit risks and planning and the full year results. Company Secretary shall act as the secretary of the committee.

### The number of Audit Committee meetings and the attendance of each member during the year:

During the year 4 (Four) Audit Committee meetings were held. The attendance record of the members is given below:

Name of Members	Position	Attendance
Mr. Md. Ziaur Rahman Mazumder	Chairman	4
Mrs. Lipy Sultana Karim	Member	4
Mr. Rezaul Karim	Member	4
Mr. Arifur Rahman	Member Secretary	4

### Activities carried out by the Audit Committee:

The Audit Committee acted as per guideline mentioned in the charter of the Committee. The Committee reviewed effectiveness of internal control and external audit procedures and reports thereon and regularly updates the Board of Directors on their observations and status of control environment. During the Year 2022-2023 the committee reviewed & Monitored Following Key Functions:

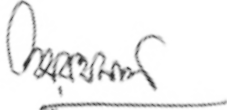
- Reviewed the Quarterly financial statement with respect to presentation, disclosure and accuracy of data.
- Reviewed the financial statement for the year ended 30 June 2023 Contained full disclosures and reviewed these were prepared in accordance with International Financial Reporting standards (IFRSs), International Accounting Standards (IASs), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).
- Reviewed the financial statement for the year ended 30 June 2022 Contained full disclosures and reviewed
- Reviewed the Related Party transaction.
- Reviewed the audit plan for the year 2022-2023.
- Reviewed the internal control Systems
- Reviewed the findings of the internal audit team.
- Reviewed the compliance with corporate governance code and other regulations, as per the requirements of the Bangladesh Securities & Exchange Commission(BSEC)
- Reviewed and recommended Statutory Auditors for the year 2022-2023.
- Reviewed and recommended Professionals for Compliance of Corporate Governance Code for the year 2021- 2022.

### Reporting

Pursuant to condition # 5(6)(a) of the Corporate Governance Code–2018 issued by BSEC, the Committee reports that it did not find any conflict of interest, any fraud, irregularity or material defect in the internal control system. There also is no infringement of laws, rules and regulations.

After due verification, the Audit Committee formed the opinion that adequate financial control and procedures are in place to provide reasonable assurance that the Company's resources are safeguarded and the financial position of the Company is well managed.

**On behalf of the Audit Committee.**



Mr. Md. Ziaur Rahman Mazumder  
Chairperson, Audit Committee

## National Feed Mill Limited

### Report on the Nomination & Remuneration Committee (NRC):

The Nomination and Remuneration Committee, as a sub-committee of the Board of directors of National Feed Mill Limited has been constituted with three board of directors with one Independent director as a chairman as per the requirement of the code of conduct of Bangladesh Securities and Exchange Commission (BSEC). The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

### The Composition of the NRC

In Accordance with Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC) the Board of Directors has appointed the Nomination & Remuneration Committee comprising three members including of whom one is independent director who is the chairperson of the committee and other two are non-executive directors. Company Secretary is the secretary of the committee. The following members of the Committee are:

Chairman	: Mr. Mahbub Hasan, Independent Director
Member	: Mrs. Lipy Sultana Karim
Member	: Mr. Adib Hossain Babul
Member Secretary	: Mr. Arifur Rahman

### Scope and role of NRC

NRC shall be responsible to the Board and to the shareholders of the company.

NRC shall oversee and formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;

- (i) the level and composition of remuneration is reasonable and sufficient to attain, retain and motivate suitable directors to run the company successfully;
- (ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (iii) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (iv) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (v) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the board;
- (vi) Formulating the criteria for evaluation of performance of independent directors and the Board;



- (vii) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- (viii) developing, recommending and reviewing annually the company's human resources and training policies and any other services that the board of Directors determines from time to time.

### **Objectives of NRC**

The objectives of the NRC are as follows:

- 1) To ensure the remuneration of the top-level management if satisfied with their activities.
- 2) The directors and top-level management working activities evaluation, accountability and reporting efficiency impact on economic decisions of the company.

Appointment and removal of Director, Top Level Executives and Senior Management

- I) The committee identifies the qualification, efficiency, experience and expertise who are appointed as director, top level management and senior management.
- II) The committee shall evaluate his/her experience and expertise for the position.
- III) The Committee shall also exercise the appropriate experience and educational qualification for the said position.

### **Accountabilities**

- 1. The Board is ultimately responsible for the appointment of directors and top level executives.
- 2. The Board has delegated responsibility for assessing and selecting the candidates for the role of directors and top level executives of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

### **Procedure of Selection and Appointment of the Board Member**

- 1. The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and exercise in business, government, academics, technology and in areas that are relevant for the Company's operations.
- 2. In evaluating the suitability of individual Board members, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to deal with complex issues facing the Company.
- 3. Directors should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular group. v

### **Procedure for Selection and Nomination of Top Level Executive**

The Chairperson of the Company and the Chairperson of the NRC shall along with Company Secretary, identify suitable candidates for appointing them as top level executives of the Company on the basis of their

## **National Feed Mill Limited**

academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning top level executives.

Further, in case of top level executive's appointment, approval of the Board of Directors shall be taken in accordance shall be placed before the NRC and/or Board Directors at regular intervals.

### **Remuneration of Directors and Top Level Executives**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors and top level executives.

The directors and top level executive's salary shall be based and determined on the individual's responsibilities and performance and in accordance with the limits as proscribed by statute, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for directors and top level executives of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, government's other guidelines. The Committee consults with the Chairperson as well as prevailing laws and government's other guidelines. The Committee consults with the Chairperson of the Board as it deems appropriate. Remuneration of the Company's Chairperson is recommended by the Committee to the Board of the Company.

#### **Remuneration:**

##### **a) Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non- statutory benefits which are normal part of remuneration package in line with market practices).

##### **b) Variable salary:**

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attained by the Committee, based on performance against per-determined financial and non-financial metrics.

#### **Evaluation Criteria**

The evaluation/assessment of the directors and top executives of the Company is to be conducted on an annual basis and to satisfy the requirements of the Corporate Governance Code. The Following criteria may assist in determining how effective the performances of the directors and top level executives have been:

1. Leadership and stewardship abilities.
2. Contributing to clearly define corporate objectives & plans.
3. Communication of expectations & concerns clearly with subordinates.
4. Obtain adequate, relevant & timely information from external source.
5. Review and approval achievement of strategic and operational plans, objectives, budgets.
6. Regular monitoring of corporate results against projections.

7. Identify, monitor and mitigate significant corporate risks.
8. Assess policies, structures and procedures.
9. Direct, monitor and evaluate top level executives.
10. Review management's succession plan.
11. Effective meetings.
12. Assuring appropriate board size, composition, independence and structure.
13. Closely defining roles and monitoring activities of committees.
14. Review of the company's ethical conduct.

### **Meeting of NRC and Attendance**

During the financial year 1 (One) NRC meeting was held. The attendance record of the members is given below:

<b>Name of Members</b>	<b>Position</b>	<b>Attendance</b>
Mr. Mahbub Hasan	Chairman	1
Mrs. Lipy Sultana Karim	Member	1
Mr. Adib Hossain Babul	Member	1
Mr. Arifur Rahman	Member Secretary	1

### **Activities of NRC**

During the financial year 2022-2023 the NRC arranged 1 (One) meetings and carried out following activities:

- Reviewed and approved the Code of Conduct to members of the Board and key management personnel or top-level executives which was adopted by the Board;
- Reviewed the human resources principles of the Company including recruitment, performance evaluation across all levels of members and skill value proposition of the Company.
- Reviewed the appointment of Directors and their remuneration.
- Reviewed the appointment of Managing Directors and his remuneration
- Reviewed the performance of top level management.

### **On behalf of the Nomination & Remuneration Committee**



Mr. Mahbub Hasan, Chairperson  
Nomination & Remuneration Committee (NRC)

**National Feed Mill Limited**  
**Declaration by CEO and CFO**

**Date: 30 October, 2023**

The Board of Directors  
National Feed Mill Limited  
Corporate Office: House # 51, Road # 15,  
Sector # 03, Uttara, Dhaka-1230, Bangladesh.

**Subject: Declaration on Financial Statement for the year ended on 30 June 2023**

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/2017/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

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

In this regard, we also certify that: --

- (i) We have reviewed the financial statements for the year ended on 30 June 2023 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

## National Feed Mill Limited

(b) these statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

**Sincerely yours,**



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Mr .Akther Hossain Babul  
Managing Director  
Dated: Dhaka, 30<sup>th</sup> October 2023



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Md. Firoj Alam  
Chief Financial Officer  
Dated: Dhaka, 30<sup>th</sup> October 2023





**Report to the Shareholders of National Feed Mill Limited on  
compliance with the Corporate Governance Code.**

**(As required under the BSEC Codes of Corporate Governance)**

We have examined the compliance status to the Corporate Governance Code by National Feed Mill Limited for the year ended on 30th June 2023. This code relate is to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3<sup>rd</sup> June 2018 of Bangladesh Securities and Exchange Commission (BSEC.)


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

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

We state that we have obtained all the information and representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement:

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2022-2023.

<b>Firm Name</b>	<b>Dewan Nazrul Islam &amp; Co. Chartered Accountants</b>
<b>Signature</b>	
<b>Engagement Partner</b>	<b>Mohammad Rostam Hossain FCA</b>
<b>Designation</b>	<b>Managing Partner</b>
<b>Enrollment No</b>	<b>1340</b>
<b>Place</b>	<b>Dhaka</b>
<b>Date</b>	<b>30th November 2023</b>

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## National Feed Mill Limited

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

### Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRDC/2006-158/207/Admin/80 dated 3<sup>rd</sup> June 2018 (Report under Condition no. 9)

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1.1	<b>Board Size:</b> The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty)	✓		The National Feed Mill Limited Board is comprised of 5 directors.
1.2 (a)	<b>Independent Directors:</b>			
	At least one fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors	✓		There are two Independent Directors named Mr. Md. Ziaur Rahman Mazumder and Mr. Mahbub Hasan.
1.2 (b) (i)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital	✓		The Company Secretary have declared independent directors' compliances on behalf of Independent Director.
1.2 (b) (ii)	Independent Director or his family members are not connected with the Company's any sponsor or Director or nominated Director or Shareholder of the company or any of its associates, sister concerns, subsidiary and parents or holding entities who holds 1% or more shares	✓		Do
1.2 (b) (iii)	Independent Director who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		Do
1.2 (b) (iv)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		Do
1.2 (b) (v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, Director or officer of any Stock Exchange	✓		Do
1.2 (b) (vi)	Independent Director is not a shareholder, Director excepting independent director or officer of any member or RREC holder of Stock Exchange or an intermediary of the capital market	✓		Do

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1.2 (b)(vii)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit service or audit firm conducting special audit or professional certifying compliance of Corporate Governance Code	✓		Do
1.2 (b) (viii)	Independent Director shall not be an Independent Director in more than 5 (five) listed companies	✓		Do
1.2 (b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		Do
1.2 (b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude	✓		Do
1.2 (c)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM	✓		The appointments are duly approved at AGM.
1.2 (d)	The Post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days			No vacancy occurred.
1.2 (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only			No such issue arose.
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business	✓		The qualification and background of ID justify his abilities as such.
1.3 (b) (i)	Independent Director should be a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association			N/A
1.3 (b) (ii)	Independent Director should be a Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Finance director or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal	✓		

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company			
1.3 (b) (iii)	Independent Director should be a Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law	✓		The ID is a corporate leader with more than 10 years of experience.
1.3 (b) (iv)	Independent Director should be a University Teacher who has educational background in Economics or Commerce or Business Studies or Law			N/A
1.3 (b) (v)	Independent Director should be a Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	✓		
1.3 (C)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in 1.3 (b)	✓		The Independent Directors are corporate leader with more than 10 years of experience.
1.3 (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such issue arose.
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		Chairperson of the board and Managing Director are different individual. Chairperson: Mrs. Farida Jahan Babul MD: Mr. Akther Hossain Babul
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		The Managing Director does not hold the same position in any another listed company.
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		The Chairperson is elected from amongst the non-executive directors.
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		Respective roles and responsibilities of the Chairperson and the Managing Director are clearly defined.

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose.
1.5	<b>The Directors' Report to Shareholders on:</b>			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		The Directors report complies with the guideline.
1.5 (ii)	Segment-wise or product-wise performance	✓		The Directors report complies with the guideline.
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	✓		The Directors report complies with the guideline.
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		The Directors report complies with the guideline.
1.5 (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)			No such issue arose.
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	✓		The Directors report complies with the guideline.
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	✓		The Directors report complies with the guideline.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.			No such issue arose
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			N/A
1.5 (x)	A statement of remuneration paid to the directors including independent directors	✓		The Directors report complies with the guideline.
1.5 (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		The Directors report complies with the guideline.
1.5 (xii)	A statement that proper books of account of the issuer company have been maintained	✓		Do
1.5 (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements	✓		Do

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	and that the accounting estimates are based on reasonable and prudent judgment			
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		Do
1.5 (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		Do
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		Do
1.5 (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	✓		The Directors report complies with the guideline.
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	✓		Matter relating to significant deviation disclosed in Note 2.13 and 2.14 of the Financial Statements.
1.5 (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		The Directors report complies with the guideline.
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	✓		Available in annual report.
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	✓		
1.5 (xxii)	Patterns of shareholdings	✓		
1.5 (xxiii)	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	✓		Available in annual report.
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		Do
	(c) Executives	✓		
	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	✓		Shareholding position of Mr. Akther Hossain Babul is more than 10% of total number of share
1.5 (xxiv)	(a) a brief resume of the director	✓		Available in annual report.
	(b) nature of his or her expertise in	✓		Do



## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	specific functional areas			
	(c) names of companies in which the person also holds the directorship and the membership of committees of the Board	✓		Do
1.5 (xxv)	A Management's Discussion and analysis of the company's position and operations along with a brief discussion of change in the financial statements, among others, focusing on:	✓		Available in annual report.
1.5 (xxv) (a)	(a) accounting policies and estimation for preparation of financial statements	✓		The directors' report complies with the guideline.
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes			N/A
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof	✓		Available in annual report.
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		Do
	(e) briefly explain the financial and economic scenario of the country and the globe	✓		Do
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		Do
	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		Do
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		Available in annual report.
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		Available in annual report.

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		The company maintains a book for Board Meeting Minutes as per the provision of Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee for the Chairperson of the Board, other board members and Chief Executive Officer of the company	✓		A code of conduct set of chairpersons of the board, other members of the board and Chief Executive Officer of the company bases on the recommendation of the Nomination and Remuneration Committee (NRC)
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		The directors' report complies with the guideline.
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC)	✓		The Managing Director (MD), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals.

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	shall be filled by different individuals.			
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3.1 (d)	The Board shall clearly define respective roles, responsibilities, and duties of the CFO, the HIAC and the CS	✓		The respective roles, responsibilities, and duties of the CFO, the HIAC and the CS are clearly defined.
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3.3 (a)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge	✓		
3.3 (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	✓		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Disclosed in the Annual Report
4 (i)	There shall be an Audit Committee as a sub-committee of the Board.	✓		
4 (ii)	There shall be a Nomination and Remuneration Committee as a sub-committee of the Board.	✓		
5.1 (a)	The Company shall have an Audit Committee as a sub- committee of the Board of Directors	✓		

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		The Audit Committee duly discharged its responsibilities.
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		Available in annual report.
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members	✓		The Audit Committee comprised of 3 (three) members.
5.2 (b)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director	✓		The members of the audit committee are appointed by the Board who are directors and which includes 1 (one) Independent Director.
5.2 (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		Based on the academic qualifications and professional experiences, the board reviewed and considered that all the existing members of the Audit Committee are financially literate and they have related financial. And 1 (one) member of this committee have 10 (ten) years of relevant experiences.
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			No such incident arose.
5.2 (e)	The Company Secretary shall act as the secretary of the Committee	✓		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	✓		
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director	✓		Mr Md Ziaur Rahman Mazumder has been appointed as chairman of audit committee, who is an independent director.

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose.
5.3 (c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5.5 (a)	Oversee the financial reporting process	✓		
5.5 (b)	Monitor choice of accounting policies and principles	✓		
5.5 (C)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	✓		
5.5 (d)	Oversee hiring and performance of external auditors	✓		
5.5 (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
5.5 (f)	review along with the management, the annual financial statements before submission to the Board for approval	✓		
5.5 (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	✓		
5.5 (h)	review the adequacy of internal audit function	✓		
5.5 (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report	✓		
5.5 (j)	review statement of all related party transactions submitted by the management	✓		
5.5 (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
5.5 (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	✓		
5.5 (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			N/A
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board	✓		
5.6 (a) (ii) (a)	report on conflicts of interests			No such issue arose.
5.6 (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			No such issue arose.
5.6 (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			No such issue arose.
5.6 (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such issue arose.
5.6 (b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such issue arose.
5.7	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.			No such issue arose.
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	✓		



## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive	✓		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)	✓		
6.2 (a)	The Committee shall comprise of at least three members including an independent director	✓		The committee is comprised of three (3) members including an independent director.
6.2 (b)	All members of the Committee shall be non-executive directors	✓		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board	✓		The NRC members are appointed by the board
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			No such issue arose.
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			No such issue arose.
6.2 (g)	The company secretary shall act as the secretary of the Committee	✓		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	✓		
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		Mr. Mahabub Hasan has been appointed as chairman of NRC committee, who is an independent director.

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes	N/A		No such issue arose.
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	✓		
6.4 (a)	The NRC shall conduct at least one meeting in a financial year	✓		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	N/A		No emergency meeting conveyed.
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	✓		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	✓		
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	✓		
6.5 (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6.5 (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks	✓		
6.5 (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	✓		
6.5 (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	✓		

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
6.5 (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	✓		
6.5 (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board	✓		
6.5 (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	✓		
6.5 (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies	✓		
6.5 (c )	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7.1	Statutory auditors not be engaged in the following services:	✓		As Declared by the statutory auditor.
7.1 (i)	appraisal or valuation services or fairness opinions	✓		
7.1 (ii)	financial information systems design and implementation	✓		
7.1 (iii)	book-keeping or other services related to the accounting records or financial statements	✓		
7.1 (iv)	broker-dealer services	✓		
7.1 (v)	actuarial services	✓		
7.1 (vi)	internal audit services or special audit services	✓		
7.1 (vii)	any service that the Audit Committee determines	✓		
7.1 (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		
7.1 (ix)	any other service that creates conflict of interest	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General	✓		

## National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	Meeting) to answer the queries of the shareholders			
8.1	The company shall have an official website linked with the website of the stock exchange	✓		Website is there which is linked with those of the stock exchanges.
8.2	The company shall keep the website functional from the date of listing	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	✓		
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		The company obtained the certificate from Dewan Nazrul Islam & Co. chartered accountant regarding compliance of condition of Corporate Governance of the commission and such certificate is disclosed in the annual report.
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	✓		The compliance auditor, Dewan Nazrul Islam & Co. is duly appointed by the shareholders at AGM
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	✓		Do

# National Feed Mill Limited

## INDEPENDENT AUDITOR'S REPORT To the Shareholders of NATIONAL FEED MILL LIMITED

### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the financial statements of **National Feed Mill Limited** which comprise the Statement of Financial Position as at June 30, 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended June 30, 2023, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion and on Emphasis of Matter section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at June 30, 2023, and of its financial performance and its cash flows for the year then ended June 30, 2023 in accordance with International Financial Reporting Standards (IFRSs), the Company Act 1994 and other applicable laws and regulations.

#### Basis for Qualified Opinion

1. We draw attention to note no. 7.00 in the Statement of Financial Position where **"Accounts Receivables"** shown amount Tk. 885,742,293 as at June 30, 2023 but the management of the company did not write-off or any provision against the uncollectable receivable amount according to the IFRS-9 Para-5.5.1 & 5.5.9. This amount is Certify by management we have send the balance confirmation to the client about Receivable and Payable amount of Tk. 40,430,719 but not yet received any confirmation till the reporting date.
2. The management of the company made a provision as **WPPF** of 5% on its Net Profit Before Tax according to the Bangladesh Labor Act 2006 (Amended 2013) but no payment has been made as per provisions of the law which is a non-compliance of the said act. The Company is required to pay to the Participation Fund, The Welfare Fund, and the Fund established under section 14 of Bangladesh Workers Welfare Foundation Act, 2006, not later than six months from the end of the financial year at the ratio of 80:10:10 respectively.
3. We draw attention to note no. 12.00 in the Statement of Financial Position where **"General Reserve"** shown amount Tk. 6,190,000 but no documents were found during the audit. According to notes disclosure about General Reserve it was invested in Govt. Bond but no document found and also was not shown as Investment either.

#### Emphasis of Matters

Without qualifying our opinion, we would like to draw attention to the following matters:

1. As per **Note: 8.01** of Advance, Deposits and Prepayments (Balance with Related Parties), Tk. 15,920,621 has been given to Related Parties as Advances. Out of the balance Tk. 1,281,605 is of **Karnopur Agro Industries Ltd.** and Tk. 14,639,016 is of **National Hatchery Ltd.** which has been given without business consideration. However, we have seen the balance to be in a decreased trend.

2. We draw attention note no. 6.00 where **“Inventory”** shown amount Tk. 583,189,555 as at June 30, 2023 in the Statement of Financial Position. Due to huge inventory in stock in Factory, we physically count the Inventory test basis and management of the company certified the inventory balances shown in the financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in the audit of the financial statement for 2023. These matters were addressed in the context of the audit of the financial statement as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor’s responsibilities for the audit of the financial statement section of our report, including in relation to those matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatement of the financial statement. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statement.

#### ➤ Appropriateness of Revenue Recognition and Disclosures.

### Revenue (Note: 21.00)

Recognition, Measurement, Presentation and Disclosures of Revenue and Other Related Parties is done according to the rules and guidelines of IFRS-15 “Revenue from Contracts with Customers. During the financial year, the Company has turnover of Tk. 576,624,723 from the sale of manufactures and processed poultry feed.

### How our Audit addresses the Key Audit Matter

We have tested the design and operating effectiveness of key controls focusing on the following:

- Segregation of Duties in invoice creation and modification
- Authorization of Credit Terms and Credit Limits to Customers
- Approval of Price list
- Calculation of Discounts, Incentives and Rebates;
- Timing of Revenue



## National Feed Mill Limited

Our substantive procedures in relation to the revenue recognition comprises the following:

- Performed substantive analytical procedure to calculated expected revenue booked.
- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;
- Examine the sample sales transaction with source documents including the credit limit, VAT, Credit notes etc.
- Performed cut off test to assure the completeness and accuracy of booking revenue in the reporting period and revenue has been recognized as per policy.
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

### ➤ **Inventory Valuation (Note: 6.00)**

The Company had inventory of BDT 583,189,555 as at June 30, 2023, held in warehouses and factory godowns. Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgement in determining the appropriate values. Therefore, stocks may not be valued correctly or consistently with applicable accounting standards. Also, provisions may not be made correctly for the damaged, slow-moving and obsolete stocks. Necessary disclosures may not be made or appropriately presented.

### **How our Audit addresses the Key Audit Matter**

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of distribution centers, warehouses and branches;
- Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data;
- Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;
- Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;

### ➤ **Accounts Receivables (Note: 7.00)**

The Company has Trade Receivables of Tk. 885,742,293 as at June 30, 2023.

The recoverability of trade receivables balance and the level of bad debts are considered to be a key risk factor due to the significance of the balance to the whole of financial statements, and the judgements required in making appropriate provisions.

### **How our Audit addresses the Key Audit Matter**

We challenged the appropriateness of management's assumptions applied in calculating the value of the accounts receivables by:

- Evaluating the design and implementation of key controls applicable to accounts receivables operating in the company;

- Evaluating the Company's credit control procedures;
- Assessing and validating the aging profile of trade receivables;
- Considering the appropriateness of judgments regarding provisions for trade receivables and assessing whether it is in accordance with IFRS-9.
- Reviewing the trade terms and following-up with the collection procedures.
- Reviewing the Company policy with accounts that does not follow credit terms.

### ➤ **Deferred Tax**

The Company reports net Deferred Tax Liability amounting to Tk. 17,515,230 as of June 30, 2023.

Significant judgement is required in relation to deferred tax assets as their recoverability depends on forecasts of future profitability over a number of years.

### **How our Audit addresses the Key Audit Matter**

We challenged the appropriateness of management's assumptions applied in calculating the value of the deferred tax liability by:

- Evaluating the design and implementation of key controls applicable to the recognition and measurement of DTAs and the assumptions used in estimating the company's future taxable income;
- Assessing the completeness and accuracy of the data used for the estimations;
- Involving tax specialists to assess recognition and calculation of DTA;
- Assessing the appropriateness and presentation of disclosures against IAS-12 Income Tax.

### **Other matter**

The financial statement of **National Feed Mill Limited** for the year ended June 30, 2022 were audited by **Ahmed Zaker & Co., Chartered Accountants** who expressed an Emphasis of Matter opinion on those statements on October 28, 2022.

### **Information Other than the Financial Statement and Auditors Report Thereon**

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs) and the company Act 1994 and other applicable laws and regulations for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## National Feed Mill Limited

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## National Feed Mill Limited

From the matters communicates with those charged with governess, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2020, we also report that:

- (i) 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;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) The Expenditure incurred was for the purpose of the company's business.



**Quazi Shafiqul Islam, FCA**  
**Enrolment No. 0165**  
**Islam Quazi Shafique & Co.**  
Chartered Accountants

**Place: Dhaka**  
**Dated: October 30, 2023**  
DVC: 2311010165AS590743

## National Feed Mill Limited

### National Feed Mill Limited Statement of Financial Position As at June 30, 2023

Particulars	Notes	Amount in Taka	
		30.06.2023	30.06.2022
<b><u>ASSETS</u></b>			
<b><i>A. Non-Current Assets</i></b>			
Property, Plant and Equipment	4.00	296,514,851	309,650,030
Capital Work-in-Progress	5.00	11,267,934	9,403,326
		<b>307,782,785</b>	<b>319,053,356</b>
<b><i>B. Current Assets</i></b>			
Inventory	6.00	583,189,555	585,829,493
Accounts Receivable	7.00	885,742,293	827,206,683
Advance, Deposits & Prepayments	8.00	29,017,494	52,712,483
Cash and Cash Equivalents	9.00	2,659,004	3,647,935
		<b>1,500,608,346</b>	<b>1,469,396,594</b>
<b>Total Assets (A+B)</b>		<b>1,808,391,130</b>	<b>1,788,449,950</b>
<b><u>SHAREHOLDER'S EQUITY AND LIABILITIES</u></b>			
<b><i>C. Shareholder's Equity</i></b>			
Share Capital	10.00	933,613,240	933,613,240
Retained Earnings	11.00	160,189,779	164,812,915
General Reserve	12.00	6,190,000	6,190,000
		<b>1,099,993,019</b>	<b>1,104,616,155</b>
<b><i>D. Non-Current Liabilities</i></b>			
Long-Term Loan	13.00	348,421,240	385,126,886
Deferred Tax	14.00	17,515,230	17,939,563
		<b>365,936,470</b>	<b>403,066,449</b>
<b><i>E. Current Liabilities</i></b>			
Accounts Payable	15.00	40,430,719	42,539,937
Liabilities for Expenses & Other Finance	16.00	6,914,018	6,121,818
Dividend Payable	17.00	315,037	170,072
Workers Profit Participation Fund (WPPF)	18.00	24,804,166	24,637,263
Long-Term Loans (Current Portion)	19.00	237,107,765	174,095,900
Provision for Income Tax	20.00	32,889,937	33,202,357
		<b>342,461,641</b>	<b>280,767,346</b>
<b>Total Equity and Liabilities (C+D+E)</b>		<b>1,808,391,130</b>	<b>1,788,449,950</b>
<b>Net Asset Value Per Share (NAVPS)</b>	<b>30.00</b>	<b>11.78</b>	<b>11.83</b>

The accompanying policies and explanatory notes form an integral part of these financial statements

  
Chairman

  
Managing Director


  
Director

  
Company Secretary

  
Chief Financial Officer

Signed in terms of our report of even date annexed

Dated; Dhaka  
October 30, 2023  
DVC: 2311010165AS590743

  
Quazi Shafiqul Islam, FCA  
Enrollment No: 0165  
Islam Quazi Shafique & Co.  
Chartered Accountants

## National Feed Mill Limited

### National Feed Mill Limited Statement of Profit or Loss and Other Comprehensive Income For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		30.06.2023	30.06.2022
Turnover	21.00	576,624,723	645,628,451
Less: Cost of Goods Sold	22.00	507,117,635	576,330,877
<b>Gross Profit</b>		<b>69,507,088</b>	<b>69,297,574</b>
<b>Less: Operating Expenses</b>			
Administrative Expenses	23.00	12,831,984	12,257,094
Selling & Distribution Expenses	24.00	7,539,427	5,624,558
		<b>20,371,411</b>	<b>17,881,652</b>
<b>Operating Profit</b>		<b>49,135,677</b>	<b>51,415,922</b>
<b>Add: Other Income/(Expense)</b>	26.00	1,977	7,221,330
		<b>49,137,654</b>	<b>58,637,252</b>
<b>Less: Financial Expenses</b>	25.00	45,632,699	48,199,664
<b>Profit before WPPF and Tax</b>		<b>3,504,955</b>	<b>10,437,588</b>
<b>Less: Provision for Workers Profit Participation Fund (WPPF)</b>	27.00	166,903	497,028
<b>Profit before Tax</b>		<b>3,338,053</b>	<b>9,940,560</b>
<b>Less: Provision for Tax:</b>			
Current Tax	32.00	1,887,580	2,869,085
Deferred Tax	14.00	(424,333)	(585,267)
		<b>1,463,248</b>	<b>2,283,818</b>
<b>Net Profit for the year</b>		<b>1,874,805</b>	<b>7,656,743</b>
<b>Earning Per Share (EPS)</b>	28.00	<b>0.02</b>	<b>0.08</b>

*The accompanying policies and explanatory notes form an integral part of these financial statements*

  
**Chairman**

  
**Managing Director**

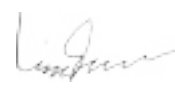
  
**Director**

  
**Company Secretary**

  
**Chief Financial Officer**

*Signed in terms of our report of even date annexed*

**Dated; Dhaka**  
**October 30, 2023**  
**DVC: 2311010165AS590743**

  
**Quazi Shafiqul Islam, FCA**  
Enrollment No: 0165  
**Islam Quazi Shafique & Co.**  
Chartered Accountants



## National Feed Mill Limited

### National Feed Mill Limited Statement of Changes in Equity For the year ended June 30, 2023

Particulars	Share Capital	Retained Earnings	Gain/(Loss) on Marketable Securities (Unrealized)	General Reserve	Total
Opening Balance as on July 01, 2022	933,613,240	164,812,915	-	6,190,000	1,104,616,155
Net Profit for the year	-	1,874,805	-	-	1,874,805
Dividend (Cash)	-	(6,497,941)	-	-	(6,497,941)
<b>Closing Balance as on June 30, 2023</b>	<b>933,613,240</b>	<b>160,189,779</b>	<b>-</b>	<b>6,190,000</b>	<b>1,099,993,019</b>

Particulars	Share Capital	Retained Earnings	Gain/(Loss) on Marketable Securities (Unrealized)	General Reserve	Total
Opening Balance as on July 01, 2021	924,369,550	166,399,862	457,778	6,190,000	1,097,417,190
Net Profit for the year	-	7,656,743	(457,778)	-	7,198,965
Dividend (Bonus Share)	9,243,690	(9,243,690)	-	-	-
<b>Closing Balance as on June 30, 2022</b>	<b>933,613,240</b>	<b>164,812,915</b>	<b>-</b>	<b>6,190,000</b>	<b>1,104,616,155</b>

  
**Chairman**

  
**Managing Director**

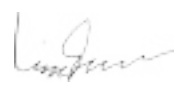
  
**Director**

  
**Company Secretary**

  
**Chief Financial Officer**

*Signed in terms of our report of even date annexed*

**Dated; Dhaka**  
**October 30, 2023**  
**DVC: 2311010165AS590743**

  
**Quazi Shafiqul Islam, FCA**  
Enrollment No: 0165  
**Islam Quazi Shafique & Co.**  
Chartered Accountants

**National Feed Mill Limited**

**National Feed Mill Limited**  
**Statement of Cash Flows**  
**For the year ended June 30, 2023**

Particulars	Amount in Taka	
	30.06.2023	30.06.2022
<b>A. Cash Flows from Operating Activities</b>		
Cash Receipts from Customer	518,089,113	596,731,052
Interest/Gain Received	1,977	18,450
Cash Payment to Suppliers and Employees	(461,459,476)	(539,131,866)
Cash Paid for Expenses	(26,968,498)	(37,951,101)
Income Tax Paid	(2,350,183)	(11,508,876)
<b>Net Cash Provided by Operating Activities (Note: 31)</b>	<b>27,312,933</b>	<b>8,157,659</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of Property, Plant & Equipment	(2,622,408)	(4,525,813)
Share Investment Encashment	-	9,911,058
Realized Gain/(Loss) for Share	-	6,886,080
Dividend Received	-	316,800
<b>Net Cash used by Investing Activities</b>	<b>(2,622,408)</b>	<b>12,588,125</b>
<b>C. Cash Flows from Financing Activities</b>		
Increase/(Decrease) in Long-Term Loan	26,306,219	21,215,523
Dividend Paid	(6,352,976)	-
Bank Interest & Charges Paid	(45,632,699)	(48,199,664)
<b>Net Cash used by Financing Activities</b>	<b>(25,679,456)</b>	<b>(26,984,141)</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(988,931)</b>	<b>(6,238,357)</b>
<b>E. Cash and Cash Equivalents at the beginning of the year</b>	<b>3,647,935</b>	<b>9,886,292</b>
<b>F. Cash and Cash Equivalents at the end of the year (D+E)</b>	<b>2,659,004</b>	<b>3,647,935</b>
<b>Net Operating Cash Flows per Share (NOCFPS)</b>	<b>0.29</b>	<b>0.09</b>

  
**Chairman**

  
**Managing Director**

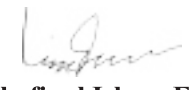
  
**Director**

  
**Company Secretary**

  
**Chief Financial Officer**

*Signed in terms of our report of even date annexed*

**Dated; Dhaka**  
**October 30, 2023**  
**DVC: 2311010165AS590743**

  
**Quazi Shafiqul Islam, FCA**  
 Enrollment No: 0165  
**Islam Quazi Shafique & Co.**  
 Chartered Accountants

## **National Feed Mill Limited**

### **National Feed Mill Limited Notes to the Financial Statements For the year ended June 30, 2023**

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

##### **1. Legal Status and Nature of the Company**

###### **1.1. Domicile, Legal Form, Country of Incorporation and Status of the Company**

National Feed Mill Limited (the “Company”) herein after incorporated to a public company limited by shares. The Company was incorporated in Bangladesh on December 22, 1999, as a private limited company under the Companies Act, 1994 vide Registration No.C-39289(1247)/99. Subsequently the Company has been converted into public company limited by shares on June 22, 2011 vide special resolution passed in the extra ordinary general meeting after observance of required formalities. The Company was listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on January 06, 2015 and December 15, 2014 respectively.

###### **1.2. Corporate Office and Place of Business of the Company**

The corporate office of the company is located at House #51, Road #15, Sector #03, Uttara, Dhaka-1230.

###### **1.3 Factory and Registered Address of the Company**

Baniar Chala, Member Bari, Bhabanipur, Gazipur, Bangladesh.

###### **1.4 Principal Activities and Nature of Business of the Company**

The principal activity of this Company is to carry on the business of manufacturing, producing, processing, buying, selling, converting of feed of poultry, fishery and duckery, production of all kinds of eggs, live stocks, high breed poultry and purchase and sales of hen cock, duck all types of cattle, goat, sheep etc.

##### **2. Significant Accounting Policies:**

As per the requirements of IAS 1: “Presentation of Financial Statements” financial statements comprise a statement of Financial Position at the end of the year, a statement of Profit or Loss and Other Comprehensive Income for the year, a statement of Changes in Equity for the year, a statement of Cash Flows for the year and relevant notes along with disclosures.

Financial statements are made as at June 30, 2023 with the comparative amounts as at June 30, 2022 and are prepared under the historical cost convention on Generally Accepted Accounting Principles on Going Concern Basis. Financial statements have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Financial Reporting Council (FRC), the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, The Securities and Exchange Rules, 1987 and other applicable laws & regulations.

Specific accounting policies selected and applied for significant transactions and events are depicted below:

**2.1. Going Concern**

The company has adequate resources to continue in operation for foreseeable future. For this reason, the directors continued 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 businesses and operations.

**2.2. Use of Estimates, Uncertainties and Judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

**Basis of Preparation of the Financial Statements**

The financial statements are prepared using the accrual Basis of accounting except for the cash flow information where the material class of similar item has been presented separately. As per the requirements of IAS-1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

**2.3. Property, Plant and Equipment (PPE)****2.3.1. Recognition and Measurement**

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable inward freight, duties and non-refundable taxes.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the Statement of Profit or Loss and Other Comprehensive income as an expense as incurred.

In accordance with the allowed alternative treatment of IAS 23: "Borrowing Cost" finance costs have been capitalized for qualifying assets until the active development of the assets have been ceased or the assets is available for use or sale.

**2.3.2. Depreciation on Fixed Assets**

Depreciation on Fixed Assets is charged on reducing balance method. Depreciation continues to be charged on each item of fixed assets until the written down value of such fixed assets is reduced to Taka one. Depreciation on addition of fixed assets has been charged when it is available for use. The residual value, if not insignificant, is reassessed annually.

## National Feed Mill Limited

Rates of depreciation on various classes of Fixed Assets are as under:

Particulars	Rate
Freehold Land & Cost of Development	0%
Building & Other Construction	5%
Plant & Machinery	10%
Stand-By Diesel Generator	15%
Transport & Vehicles	15%
Electrical & Other Installation	15%
Furniture & Fixture	10%
Office Equipment	15%
Tools & Equipment	20%
Telephone & Others	10%

The gain or loss on disposal or retirements of assets is included in the statements of profit or loss and other comprehensive income when the item is disposed off/derecognized.

### 2.3.3 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 reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the Statement of profit and loss and other comprehensive income account as expense.

### 2.3.4 Impairment of Assets

No fact and circumstances indicate that company's assets including property, plant and equipment may be impaired. Hence, no impairment has been occurred during the period.

## 2.4. Inventories

Inventories are stated at the lower of cost and net realizable value in accordance with IAS-2 "Inventories". Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Category of Stock and basis of valuation of inventories are as follows:

Category of Stock	Basis of Valuation
Raw & Packing materials	Moving Average (Weighted) Cost
Finished goods at Factory	At lower of cost or Net Realizable Value
Stores & Spare Parts	At Cost
Materials in-Transit (MIT)	Book Value i.e. cost so far incurred

Cost of inventories except Stores & Spare parts and MIT is comprised of the cost of materials and attributable charge for direct labour, depreciation & production overhead.

## **2.5 Financial Instruments**

At initial recognition as per IFRS-9 Financial Instrument, an entity shall measure a financial asset or financial liability as its fair value plus or minus (in the case of a financial asset or a financial liability not at fair value through profit or loss) the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. After initial recognition (subsequent measurement) an entity shall measure a financial asset or financial liability in either of the following subject to specific circumstance specified in the standard:

- i. amortized cost;
- ii. fair value through other comprehensive income;
- iii. fair value through profit or loss.

The entity shall recognize loss allowance or expected credit loss (impairment requirement). At each reporting date the entity account for the impairment of financial assets or financial liability in the following manner:

- i. an amount equal to the lifetime expected credit loss (if the credit risk of the instrument has increased significantly since initial recognition)
- ii. an amount equal to the 12 (twelve) month expected credit loss (if the credit risk of the instrument has not increased significantly since initial recognition)

## **2.6 Impairment**

### **a) Financial assets**

The Company considers evidence of impairment for financial assets at both a specific asset and collective asset level at each reporting date. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor will enter bankruptcy, etc.

### **b) Non-financial Assets**

The carrying amounts of the company's non -financial assets (tangible and intangible) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.



## **National Feed Mill Limited**

### **2.6.1 Accounts Receivable (Trade Debtors)**

Accounts receivable has been stated at its original invoiced amount less an estimate made for doubtful debts Based on a review of all outstanding amounts at the end of the year/accounting period.

### **2.6.2 Advance, 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.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to Statement of profit or loss and other Comprehensive Income.

### **2.6.3 Cash and Cash Equivalents**

According to IAS-7 “Statement of Cash Flow” Cash comprise Cash in Hand, Demand Deposit and Cash Equivalents which are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changing balances and Call Deposits, Bank Balances in value. IAS-1 “Presentation of Financial Statements” provides that Cash and Cash Equivalents are not restricted in use. Considering the provision of IAS-7 & IAS-1, Cash in Hand and Bank balances have been treated as Cash and Cash Equivalent.

### **2.6.4 Other Current Assets**

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

### **2.6.5 Accounts Payable (Trade Creditors and Other Payables)**

Accounts Payable (Trade and Other Payables) are stated at cost.

## **2.7 Provision, Contingent Liabilities and Contingent Assets**

The financial statements are prepared in conformity with IAS-37 "Provisions, Contingent Liabilities and Contingent Assets", which requires management to ensure that appropriate recognition criteria and measurement Bases are applied to make provision for outstanding expenses, contingent liabilities, assets and that sufficient information is disclosed in the notes to the accounts to enable its users for their understanding about its nature, timing and amount.

In accordance with the guidelines as prescribed by IAS-37 provisions were recognized in the following situations:

- When the company has a present obligation as a result of past event.
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- Reliable estimate can be made about the sum of the obligation.

The sum of provision estimated and booked represents the reliable estimate of the probable expenses incurred but not paid, which is required to fulfil the current obligation on the financial statement date.

## **2.8 Foreign Currencies Transactions and Translations**

These Financial Statements are presented in Bangladeshi Taka which is the functional and presentation currency of the company.

The import activities of the company were carried out in USD but recorded and reported in Bangladesh Taka as this is the reporting currency the foreign currency US\$ are converted into Bangladesh Taka currency at the ruling rate prevailing on the date of such conversion.

## **2.9 Employee Benefits**

The Company offers a number of benefit plans which includes Contributory Provident Fund, Gratuity Fund, Hospitalization Benefit and also Workers Profit Participation Fund (WPPF) and Festival Bonus which have been accounted for in accordance with the provision of IAS-19 " Employee Benefit." Bases of enumerating the above benefits schemes are operated by the company are outlined below:

### **2.9.1 Contributory Provident Fund**

The Company operates a Contributory Employee's Provident Fund scheme as per Labour Act 2006 (As amended 2013). The fund is approved by the National Board of Revenue (NBR) and administered separately by a Board of Trustees which is funded by equal contribution from the Company and the employees. This fund is invested separately from the Company's assets.

### **2.9.2 Contribution to Workers' Profit Participation & Welfare Fund (WPPF)**

This is being calculated and provisions are made @ 5% of the net profit before tax after charging such sum of expenses as per provisions of Bangladesh Labour Act, 2006 (As amended 2013) and is payable to workers as defined in the said Act.

## **2.10 Loans and Borrowing**

Principal amounts of loans and borrowings are stated at their outstanding amount. Borrowings repayable after twelve months from the reporting date are classified as non-current liabilities whereas the portion payable within twelve months, unpaid principal amount is classified as current liabilities.

## **2.11 Revenue Recognition**

An entity shall recognize revenue to depict the transfer of goods or service to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange of those goods and services. As per IFRS-15 Revenue from Contracts with Customers, an entity shall account a contract with a customer under the scope of this standard subject if the following criteria has been met:

## National Feed Mill Limited

- a. parties to the contract have approved the contract and committed to perform their respective obligation;
- b. the entity can identify each party's rights regarding the goods or services to be transferred;
- c. identification of payment terms for goods and services;
- d. existence of commercial substance;
- e. probability of collection of the consideration to which the entity is entitled with (for the exchange of goods or services).

### 2.12 Finance Income and Expenses

Finance Income comprises Interest Income on STD Accounts. Interest income is recognized on maturity.

Finance Expenses comprise Interest expenses on Loan and Bank Charges. All borrowing costs are recognized in the statement of profit or loss and other comprehensive income using effective interest charging method except to the extent that they are capitalized during construction period of the plants in accordance with IAS-23 "Borrowing Cost".

### 2.13 Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with IAS-33: Earnings per Share, which has been shown on the face of statement of profit or loss and other comprehensive in account, and the computation of EPS is stated in **Note 28**.

#### Basic Earnings

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

#### Weighted Average Number of Ordinary Shares during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time-weighting factor. The time weighting factor is the numbers of days the specific shares are outstanding as a proportion of the total number of days in the year.

#### Basic Earnings per Share

This has been calculated by dividing the Basic earnings by the weighted average number of ordinary shares outstanding for the year.

Earnings per Share (EPS) are Tk. 0.02 & Tk. 0.08 for the financial year 2022-23 & 2021-22 respectively. There was significant deviation between two-year ends mentioned above. According to the notification (No.BSEC/CMRRCD/2006-158/134/Admin/44-Dated 07 August 2012, the reasons for the deviations are:

This year's negative revenue and drop in Earnings is a direct result of the devaluation of the Bangladeshi Taka to the US dollar, which caused an instability in the global commodity markets. The pressure in the local currency for our imported raw materials for the feed industry as a whole is critical and has impacted every company across all manufacturing industries. The consumers of our feed and our dealers have also been negatively impacted due to the rise in cost of essentials furthering the effects of inflation due to global macroeconomic pressures and fiscal policy measures set by the US federal Reserve. We hope that post-election year, Bangladesh will have a more stable outlook which will have a positive impact on National Feed Mill Limited's earnings going forward.

**2.14 Cash Flow Statement**

Cash Flow Statement is prepared in accordance with IAS-7 “Cash Flow Statement”. The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of Paragraph 18(a) of IAS-7 which provides that “Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method”.

Here Net Operating Cash Flow per Share (NOCFPS) of National Feed Mill Ltd. was Tk. 0.29 and Tk. 0.09 for the financial year end 2022-23 and 2021-22 respectively. There was significant deviation between two-year ends mentioned above. According to the notification (No. BSEC/CMRRCD/2006-158/134/Admin/44-Dated 07 August 2012, the reasons behind the significant deviation of NOCFPS regarding two annual reports are decreased Sales and Collection against Sales was higher than the payment to supplier and realization of advance, deposit & prepayment, Taxes paid and Loan installment were lower than previous year.

**Responsibility for Preparation and Presentation of Financial Statements**

The Management of the Company is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act, 1994 and as per the Provision of “The Framework for the preparation and presentation of Financial Statements” issued by the International Accounting Standard Board (IASB) as adopted by the Institute of the Chartered Accountants of Bangladesh (ICAB).

**2.15 Risk and Uncertainties for the Use of Estimates in Preparing Financial Statements**

Preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. Actual result could differ from those estimates. Estimates are used for accounting of certain items such as depreciation and amortization, taxes, reserves and contingencies.

**2.16 Events after the Reporting Period**

Events after the reporting period that provide additional information about the company’s positions at the balance sheet date are reflected in the financial statements.

The Board of Directors in their meeting held on October 30, 2023 recommend No dividend to the shareholders for the year ended June 30, 2023. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

**2.17 Related Party Transactions**

The objective of Related Party Disclosure IAS-24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

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Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

The Company transacts with related parties and recognize as per IAS-24 'Related Party Disclosures' which have been disclosed under **Note: 8.01**

### 2.18 Contingent Liabilities and Assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company.

### 2.19 Comparative Information

Comparative information has been disclosed as required by IAS-34, financial reporting in respect of the previous period for all numerical information in the current financial statements as below:

- Statements of Financial Position as of the end of the preceding financial year.
- Statements of Profit or Loss and Other Comprehensive Income for the comparable of the preceding financial year.
- Statements of Changes in Equity for the comparable of the preceding financial year.
- Statement Cash Flows for the comparable of the preceding financial year.

Narrative and descriptive information for comparative information have also been disclosed whenever it is relevant for understanding of the current year financial statements.

### 2.20 Taxation

#### 2.20.1 Current Tax

Income Tax on the profit or loss for the year comprises current and deferred tax. Income Tax is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Provision for corporate income tax is made @ 10% on Gain share investment, 20% on Dividend income, 22.5% on Other Income and 0.6% on Turnover respectively according to Finance Act, 2023 if any, as per provision of the Income Tax Ordinance.

#### 2.20.2 Deferred Tax

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



Deferred Tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized. Deferred Tax is charged or credited to Statements of profit or loss and other comprehensive income.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and National Feed Mill Limited intends to settle its current tax assets and liabilities on a net Basis. During the period due to changes of Tax rate opening deferred Tax liability have changed. Therefore, changes of Deferred Tax liability are adjusted with retained earnings during the period.

### **Impact of COVID-19 and unprecedented Power Crisis on Business:**

In COVID-19 pandemic government have had negative impact on overall business in the last year and after the years long COVID-19 pandemic, a new kind of existential threat due to the Russia – Ukraine war, which has disrupted global supply chain, created instability within the forex market and most importantly caused an unprecedented power crisis in Bangladesh. Moreover, during this year worldwide political turmoil situation, Raw Materials prices and Fuel & transportation cost increased substantially, which directly affected the manufacturing of locally consumed goods.

### **2.21 Reporting Period**

The financial statements of the company cover a period from July 01, 2022 to June 30, 2023 in accordance with the Securities and Exchange rules and sub-section 35 of section 2 of the Income Tax Ordinance 1984 for a uniform income year from first day of July to thirtieth day of June as amended by the provision of section 9 of the Finance Act 2015.

### **2.22 Components of the Financial Statements**

According to the International Accounting Standard IAS-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components:

- i) Statement of Financial Position as on June 30, 2023
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2023.
- iii) Statement of Changes in Equity for the year ended June 30, 2023
- iv) Statement of Cash Flows for the year ended June 30, 2023
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the June 30, 2023.

### **3. Statement of Compliance with Laws and Standards**

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by Financial Reporting Council (FRC).

The following International Accounting Standards were applied for the preparation of the financial statements for the year ended June 30, 2023.



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The Company as per Para-12 of Securities & Exchange Rule-2020, with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	17	Leases	Not Applicable
9	19	Employee Benefits	Complied
10	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
11	21	The Effects of Changes in Foreign Exchange Rates	Not Applicable
12	23	Borrowing Cost	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plans	Complied
15	27	Separate Financial Statements	Not Applicable
16	28	Investments in Associates and joint ventures	Not Applicable
17	29	Financial Reporting in Hyper Inflationary Economics	Not Applicable
18	31	Interest in Joint Ventures	Not Applicable
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Not Applicable
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Not Applicable
25	39	Financial Instruments: Recognition and Measurement	Complied
26	41	Agriculture	Not Applicable

## National Feed Mill Limited

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Financial Instruments	Complied
9	9	Operating Segments	Not Applicable
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Not Applicable
17	17	Insurance Contracts	Not Applicable

### 3.1 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations in Bangladesh:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Value Added Tax (Amendment) Act, 2012
- The Value Added Tax (Amendment) Rules, 2012
- The Customs Act, 1969
- The Stamp Act, 1899
- The Bangladesh Securities and Exchange Commission Act, 1993
- The Bangladesh Securities and Exchange Commission Rules, 2020
- DSE/CSE Rules
- DSE Listing Regulations, 2015
- Bangladesh Labour Act, 2006 (as amended to 2013)
- Bangladesh Labour Rules, 2015.

### 3.2. Authorization date for issuing Financial Statements

The financial statements were authorized for issue by the Board of Directors on October 30, 2023.

### 3.3. General

- i) Wherever considered necessary, previous year's figures have been rearranged for the purpose of comparison.
- ii) Figures appearing in the Financial Statements have been rounded off to the nearest Taka.

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>4.00</b>	<b>Property, Plant and Equipment</b>			
	<b>A. Cost</b>			
	Opening Balance		572,564,701	569,003,739
	Add: Addition during the year		757,800	3,560,962
			<b>573,322,501</b>	<b>572,564,701</b>
	Less: Disposal during the year		-	-
			<b>573,322,501</b>	<b>572,564,701</b>
	<b>B. Accumulated Depreciation</b>			
	Opening Balance		262,914,671	247,668,993
	Add: Charged during the year		13,892,979	15,245,678
			<b>276,807,650</b>	<b>262,914,671</b>
	<b>Written Down Value as at June 30, 2023 (A-B)</b>		<b>296,514,851</b>	<b>309,650,030</b>
	<i>A Schedule of Property, Plant &amp; Equipment is shown in Annexure-A</i>			
<b>5.00</b>	<b>Capital Work-in-Progress</b>			
	Opening Balance		9,403,326	8,438,475
	Add: Addition during the year		1,864,608	964,851
			<b>11,267,934</b>	<b>9,403,326</b>
	Less: Transfer to PPE during the year		-	-
	<b>Closing Balance</b>		<b>11,267,934</b>	<b>9,403,326</b>
	<i>The amount is for a new Godown under constrction for Raw Materials and Finish Goods.</i>			
<b>6.00</b>	<b>Inventory</b>			
	Finished Goods		9,700,091	9,293,168
	Raw Materials & Others Materials		541,129,096	545,901,258
	Spare Parts		32,360,368	30,635,067
	<b>Closing Balance</b>		<b>583,189,555</b>	<b>585,829,493</b>
<b>7.00</b>	<b>Accounts Receivable</b>			
	Accounts Receivable		885,742,293	825,748,529
	Others Receivable		-	1,458,154
	<b>Closing Balance</b>		<b>885,742,293</b>	<b>827,206,683</b>
	<b>Aging Schedule of Accounts Receivable</b>		<b>Amount in Taka</b>	
			<b>30.06.2023</b>	<b>30.06.2022</b>
	0-90 days		282,402,233	314,632,958
	91-180 days		255,343,503	236,829,483
	180 and above		347,996,557	275,744,242
	<b>Total</b>		<b>885,742,293</b>	<b>827,206,683</b>
<b>8.00</b>	<b>Advance, Deposits &amp; Prepayments</b>			
	Balance with Related Companies	<b>Note: 8.01</b>	15,920,621	38,840,770
	Advances	<b>Note: 8.02</b>	12,057,292	12,832,132
	Deposits	<b>Note: 8.03</b>	1,039,581	1,039,581
	<b>Closing Balance</b>		<b>29,017,494</b>	<b>52,712,483</b>
<b>8.01</b>	<b>Balance with Related Companies</b>			
	Karnopur Agro Industries Ltd.		1,281,605	3,032,641
	National Hatchery Ltd.		14,639,016	35,808,129
	<b>Closing Balance</b>		<b>15,920,621</b>	<b>38,840,770</b>
	<i>The details of the sum are stated in Annexure-B</i>			

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>8.02</b>	<b>Advances</b>			
	Advance to Staff against Salary		166,757	155,990
	Advance against Purchase		3,720,991	3,864,319
	Advance to Other Suppliers		474,000	1,266,462
	Advance Income Tax (AIT)	<b>Note: 8.02.01</b>	7,695,544	7,545,361
	<b>Closing Balance</b>		<b>12,057,292</b>	<b>12,832,132</b>
<b>8.02.1</b>	<b>Advance Income Tax (AIT)</b>			
	Opening Balance		7,545,361	7,270,154
	Add: Paid during the period		150,183	275,207
	<b>Closing Balance</b>		<b>7,695,544</b>	<b>7,545,361</b>
<b>8.03</b>	<b>Deposits</b>			
	Bangladesh Telecommunication Co. Ltd.		6,000	6,000
	Titas Gas Transmission & Distribution Company Ltd.		578,069	578,069
	Bank Guarantee Margin		170,000	170,000
	Gazipur Palli Biddut Samity		285,512	285,512
	<b>Closing Balance</b>		<b>1,039,581</b>	<b>1,039,581</b>
<i>Bank Guarantee Margin Tk. 170,000 represents the sum of payment on issuing Guarantee on behalf of the company (NFML) in favor of Titas Gas Transmission &amp; Distribution Company Ltd.</i>				
<b>9.00</b>	<b>Cash &amp; Cash Equivalent</b>			
	Cash in Hand	<b>Note: 9.01</b>	797,601	1,060,674
	Cash at Bank	<b>Note: 9.02</b>	1,861,403	2,587,261
	<b>Closing Balance</b>		<b>2,659,004</b>	<b>3,647,935</b>
<b>9.01</b>	<b>Cash in Hand</b>			
	Head Office		234,665	223,132
	Factory		562,936	837,542
	<b>Closing Balance</b>		<b>797,601</b>	<b>1,060,674</b>
<b>9.02</b>	<b>Cash at Bank</b>			
	<b><u>Name and Branch</u></b>	<b><u>A/C Details</u></b>		
	AB Bank Ltd (Gulshan Branch)	CD - 53000	-	1,134
	Agrani Bank Ltd (Uttara Branch)	CD - 5640	9,218	154,335
	Al Arafah Islami Bank Ltd (Banani Branch)	CD - 5046	44,290	4,327
	Bangladesh Krishi Bank (Uttara Branch)	CD - 410	12,649	60,542
	Bank Asia (Shantinagar Branch)	CD - 932	-	41,498
	Islami Bank Ltd (Uttara Branch)	CD - 3698	81,417	344,657
	Islami Bank Ltd (Uttara Branch)	CD - 73213	103,721	96,982
	Jamuna Bank Ltd (Dilkusha Branch)	CD - 14450	4,330	3,581
	Jamuna Bank Ltd - SND (Dilkusha Branch)	SND # 1578	9,574	160,356
	Jamuna Bank Ltd - SND	SND # 1256	81,926	215,766
	Janata Bank Ltd (Banani Branch)	CD - 4595	83,995	78,070
	Meghna Bank Ltd (Motijheel Branch)	CD - 123	9,655	-
	National Bank Ltd (Dilkusha Branch)	CD - 40786	28,199	194,528
	One Bank Ltd (Jagannathpur Branch)	CD - 667	1,800	2,835
	One Bank Ltd (Principal Branch)	CD - 7028	8,254	9,405
	Pubali Bank Ltd (Uttara Branch)	CD - 2732	884,188	72,598
	Shahjalal Islami Bank Ltd (Banani Branch)	STD - 583	870	2,885

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
	Shahjalal Islami Bank Ltd, (Uttara Branch)	CD - 7492	11,045	482,290
	Social Islami Bank Ltd. (Mohammadpur Branch)	CD - 710	216,095	1,263
	Sonali Bank Ltd (Banani Branch)	CD - 10345	54,780	656,768
	Uttara Bank Ltd. (Uttara Branch)	CD - 1418	215,397	3,441
	<b>Closing Balance</b>		<b>1,861,403</b>	<b>2,587,261</b>

### 10.00 Share Capital :

#### Authorised Capital

200,000,000 Ordinary Shares of Tk. 10 each

**2,000,000,000**

**2,000,000,000**

#### Issued, Subscribed & Paid-up Capital

93,361,324 Ordinary Shares of Tk. 10 each

**933,613,240**

**933,613,240**

The details are as under:

Particulars	Position	Shareholding (%)	Number of Shares	Amount in Taka
1. Mrs. Farida Jahan Babul	Chairman	4.29%	4,005,157	40,051,570
2. Mr. Akhter Hossain Babul	Managing Director	17.44%	16,283,330	162,833,300
3. Mr. Adib Hossain Babul	Director	4.63%	4,324,370	43,243,700
4. Mr. Rezaul Karim	Director	2.02%	1,884,530	18,845,300
5. Mrs. Lipi Sultana Karim	Director	2.02%	1,884,530	18,845,300
6. Institute	Shareholder	8.14%	7,599,612	75,996,120
7. Foreign	Shareholder	0.01%	9,336	93,360
8. Genaral Public	Shareholder	61.45%	57,370,459	573,704,590
<b>Total</b>		<b>100.00%</b>	<b>93,361,324</b>	<b>933,613,240</b>

Particulars	Number of Shareholders		% of Total Holding	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
Less than 500 shares	2519	2612	0.42%	0.42%
500 to 5,000 shares	6275	6349	12.18%	11.67%
5,001 to 10,000 shares	1177	1172	8.94%	8.60%
10,001 to 20,000 shares	687	689	10.20%	9.83%
20,001 to 30,000 shares	227	236	5.82%	6.01%
30,001 to 40,000 shares	96	94	3.58%	3.37%
40,001 to 50,000 shares	74	77	3.61%	3.70%
50,001 to 100,000 shares	77	84	5.62%	5.92%
100,001 to 1,000,000 shares	72	77	16.11%	16.94%
Over 1,000,000 shares	6	6	33.52%	33.52%
<b>Total</b>	<b>11,210</b>	<b>11,396</b>	<b>100%</b>	<b>100%</b>

### 11.00 Retained Earnings

Opening Balance

164,812,915

166,399,862

Add: Net Profit/(Loss) for the year

1,874,805

7,656,743

**166,687,720**

**174,056,605**

Less: Dividend (Cash/Bonus Share)

6,497,941

9,243,690

**Closing Balance**

**160,189,779**

**164,812,915**

### 12.00 General Reserve

**6,190,000**

**6,190,000**

*This represents the sum of Statutory Reserve as required vide SRO # 168/IT/2001 dated 28 June 2001 the amount is being brought forward since 2009 and is equivalent to 10% of the periodically profit, which has been invested in Govt Bond as per para 34, Part "A", Schedule Six of ITO 1984.*

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>13.00</b>	<b>Long-Term Loan</b>			
	Opening Balance		559,222,786	538,007,263
	Add: Reschedule of Long-Term Loan		-	231,250,000
	Add: Interest & Charge during the year		45,442,154	48,469,573
			<b>604,664,940</b>	<b>817,726,836</b>
	Less: Repayment/Adjustment during the year		19,135,935	258,504,050
			<b>585,529,005</b>	<b>559,222,786</b>
	Less: Transfer to Current Liabilities		237,107,765	174,095,900
	<b>Closing Balance</b>		<b>348,421,240</b>	<b>385,126,886</b>
<i>This represents the sum payable to Commercial Banks and Lease Financing Company, the make-up of the sum is as under:</i>				
	1. Bank Asia - Term Loan #1149	<b>Note: 13.05</b>	216,989,207	213,307,813
	2. Meghna Bank - Term Loan #51	<b>Note: 13.06</b>	80,836,237	97,725,587
	3. Social Islami Bank - Term Loan #201 & 212	<b>Note: 13.07</b>	50,595,796	74,093,486
	<b>Closing Balance</b>		<b>348,421,240</b>	<b>385,126,886</b>
<b>13.01</b>	<b>Bank Asia - Term Loan #1043</b>			
	Opening Balance		-	44,145,881
	Add: Interest & Charge during the year		-	4,753,451
			-	<b>48,899,332</b>
	Less: Repayment during the year		-	1,958,000
	Less: Transfer to Term Loan #1149		-	46,941,332
	<b>Closing Balance</b>		-	-
<b>13.02</b>	<b>Bank Asia - Term Loan #1044</b>			
	Opening Balance		-	25,632,747
	Add: Interest & Charge during the year		-	2,772,406
			-	<b>28,405,153</b>
	Less: Repayment during the period		-	550,000
	Less: Transfer to Term Loan #1149		-	27,855,153
	<b>Closing Balance</b>		-	-
<b>13.03</b>	<b>Bank Asia - Term Loan #1045</b>			
	Opening Balance		-	107,801,011
	Add: Interest & Charge during the period		-	11,415,543
			-	<b>119,216,554</b>
	Less: Repayment during the period		-	7,638,900
	Less: Transfer to Term Loan #1149		-	111,577,654
	<b>Closing Balance</b>		-	-
<b>13.04</b>	<b>Bank Asia - Term Loan #1046</b>			
	Opening Balance		-	41,810,387
	Add: Interest & Charge during the period		-	4,524,124
			-	<b>46,334,511</b>
	Less: Repayment during the period		-	1,500,000
	Less: Transfer to Term Loan #1149		-	44,834,511
	<b>Closing Balance</b>		-	-



## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>13.05</b>	<b>Bank Asia - Term Loan #1149</b>			
	Opening Balance		231,307,813	-
	Add: Reschedule of Long Term Loan #43, 44, 45 & 46		-	231,250,000
	Add: Interest & Charge during the year		21,681,394	57,813
			<b>252,989,207</b>	<b>231,307,813</b>
	Less: Repayment during the period		2,890,328	-
			<b>250,098,879</b>	<b>231,307,813</b>
	Less: Transfer to Current Liabilities	<b>Note: 19</b>	33,109,672	18,000,000
	<b>Closing Balance</b>		<b>216,989,207</b>	<b>213,307,813</b>
<b>13.06</b>	<b>Meghna Bank - Term Loan # 51</b>			
	Opening Balance		158,486,087	158,295,061
	Add: Interest & Charge during the year		14,310,650	14,339,526
			<b>172,796,737</b>	<b>172,634,587</b>
	Less: Repayment during the year		12,749,607	14,148,500
			<b>160,047,130</b>	<b>158,486,087</b>
	Less: Transfer to Current Liabilities	<b>Note: 19</b>	79,210,893	60,760,500
	<b>Closing Balance</b>		<b>80,836,237</b>	<b>97,725,587</b>
<b>13.07</b>	<b>Social Islami Bank Ltd. - Term Loan #201 &amp; 212</b>			
	Opening Balance		169,428,886	160,322,176
	Add: Interest & Charge during the year		9,450,110	10,606,710
			<b>178,878,996</b>	<b>170,928,886</b>
	Less: Repayment during the year		3,496,000	1,500,000
			<b>175,382,996</b>	<b>169,428,886</b>
	Less: Transfer to Current Liabilities	<b>Note: 19</b>	124,787,200	95,335,400
	<b>Closing Balance</b>		<b>50,595,796</b>	<b>74,093,486</b>
<b>14.00</b>	<b>Deferred Tax</b>			
	Opening Balance		17,939,563	18,575,694
	Add: Addition during the year		(424,333)	(585,267)
	Add: Deferred Tax on Marketable Securities (Unrealized)		-	(50,864)
	<b>Closing Balance</b>		<b>17,515,230</b>	<b>17,939,563</b>
<b>14.01</b>	<b>Deferred Tax Liability</b>			
	Property, Plant & Equipment (except Land) as per Accounting Base		161,061,551	174,196,730
	Property, Plant & Equipment (except Land) as per Tax Base		44,293,348	54,260,551
	<b>Temporary Difference</b>		<b>116,768,203</b>	<b>119,936,179</b>
	Current Tax Rate		15%	15%
	<b>Closing Balance</b>		<b>17,515,230</b>	<b>17,990,427</b>
<b>15.00</b>	<b>Accounts Payable</b>			
	Creditors for Goods Supply		27,617,629	42,462,847
	Puma Engineering		-	15,000
	Lee Engineering		13,090	62,090
	Hanoi Agro Limited		12,800,000	-
	<b>Closing Balance</b>		<b>40,430,719</b>	<b>42,539,937</b>
	<b>Aging Schedule of Accounts Payable</b>			
			<b>30.06.2023</b>	<b>30.06.2022</b>
	0-90 days		34,246,446	35,951,805
	91-180 days		3,898,955	4,236,369
	180 and above		2,285,318	2,351,763
	<b>Total</b>		<b>40,430,719</b>	<b>42,539,937</b>

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>16.00</b>	<b>Liabilities for Expenses &amp; Other Finance</b>			
	Liabilities for Expenses	<b>Note: 16.01</b>	6,901,058	6,099,267
	Liabilities for Other Finance	<b>Note: 16.02</b>	12,960	22,551
	<b>Closing Balance</b>		<b>6,914,018</b>	<b>6,121,818</b>
<b>16.01</b>	<b>Liabilities for Expenses</b>			
	Salaries & Wages		1,019,857	1,072,917
	Electricity Bill		296,865	410,807
	Gas Bill		276,844	196,265
	Audit Fee		195,500	195,500
	Expenses Payable		5,111,992	4,223,778
	<b>Closing Balance</b>		<b>6,901,058</b>	<b>6,099,267</b>
<b>16.02</b>	<b>Liabilities for Other Finance:</b>			
	VAT - Supplier		12,960	10,780
	VAT - Office Rent		-	11,771
	<b>Closing Balance</b>		<b>12,960</b>	<b>22,551</b>
<b>17.00</b>	<b>Dividend Payable</b>			
	Opening Balance		170,072	170,072
	Add: Cash Dividend		6,497,941	-
			<b>6,668,013</b>	<b>170,072</b>
	Less: Paid during the year		6,352,976	-
	<b>Closing Balance</b>		<b>315,037</b>	<b>170,072</b>
<b>18.00</b>	<b>Workers Profit Participation Fund (WPPF)</b>			
	Opening Balance		24,637,263	24,140,235
	Add: Addition during the year	<b>Note: 27</b>	166,903	497,028
			<b>24,804,166</b>	<b>24,637,263</b>
	Less: Payment during the year		-	-
	<b>Closing Balance</b>		<b>24,804,166</b>	<b>24,637,263</b>
<b>19.00</b>	<b>Long-Term Loan (Current Portion)</b>			
	Bank Asia - Term Loan #1149	<b>Note: 13.05</b>	33,109,672	18,000,000
	Meghna Bank - Term Loan #51	<b>Note: 13.06</b>	79,210,893	60,760,500
	Social Islami Bank - Term Loan #201 & 212	<b>Note: 13.07</b>	124,787,200	95,335,400
	<b>Closing Balance</b>		<b>237,107,765</b>	<b>174,095,900</b>
<b>20.00</b>	<b>Provision for Income Tax</b>			
	Opening Balance		33,202,357	41,566,940
	Add: Addition during the year	<b>Note: 32</b>	1,887,580	2,869,085
			<b>35,089,937</b>	<b>44,436,026</b>
	Less: Paid during the year		2,200,000	11,233,669
	<b>Closing Balance</b>		<b>32,889,937</b>	<b>33,202,357</b>
<b>21.00</b>	<b>Turnover</b>			
	Broiler Feed		229,816,726	281,751,367
	Layer Feed		197,648,852	221,571,066
	Fish Feed		63,818,561	49,728,627
	Cattle Feed		29,612,397	31,562,745
	Feed Processing		4,659,041	25,760,237
	Floating Feed		51,069,146	35,254,409
	<b>Total</b>		<b>576,624,723</b>	<b>645,628,451</b>

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>22.00</b>	<b>Cost of Goods Sold</b>			
	Material Consumed	<b>Note: 22.01</b>	463,716,813	521,181,082
	Manufacturing Overhead	<b>Note: 22.02</b>	43,807,745	51,223,401
	<b>Cost of Goods Manufactured</b>		<b>507,524,558</b>	<b>572,404,483</b>
	Add: Opening Stock of Finished Goods		9,293,168	13,219,562
			<b>516,817,726</b>	<b>585,624,045</b>
	Less: Closing Stock of Finished Goods		9,700,091	9,293,168
	<b>Cost of Goods Sold</b>		<b>507,117,635</b>	<b>576,330,877</b>
<b>22.01</b>	<b>Material Consumed :</b>			
	Opening Stock of Raw Materials & Others Materials		545,901,258	545,679,021
	Add: Purchase during the period		458,944,651	521,403,319
			<b>1,004,845,909</b>	<b>1,067,082,340</b>
	Less: Closing Stock of Raw Materials & Others Materials		541,129,096	545,901,258
	<b>Total</b>		<b>463,716,813</b>	<b>521,181,082</b>
<b>22.02</b>	<b>Manufacturing Overhead :</b>			
	Direct Labour	<b>Note: 22.02.01</b>	8,680,675	9,135,685
	Factory Overhead	<b>Note: 22.02.02</b>	35,127,070	42,087,716
	<b>Total</b>		<b>43,807,745</b>	<b>51,223,401</b>
<b>22.02.01</b>	<b>Direct Labour</b>			
	Wages and Bonus		8,680,675	9,135,685
	<b>Total</b>		<b>8,680,675</b>	<b>9,135,685</b>
<b>22.02.02</b>	<b>Factory Overhead</b>			
	Salaries & Festival Bonus		6,848,188	7,415,362
	Managing Director's Remuneration		400,000	1,620,000
	Loading Unloading & Production		6,700,540	6,537,769
	Tiffin Bill		127,744	163,008
	Food Allowance		159,155	296,557
	Medical Expenses		91,900	118,149
	Office Expenses		156,328	209,660
	Electricity Bill (Factory)		4,191,007	6,876,325
	Gas Bill (Factory)		1,186,689	1,296,048
	Fuel for Pick Up		211,309	266,441
	Fuel for Stand By Generator		1,476,861	1,171,978
	Mobile Bill (Factory)		86,100	130,150
	Repair & Maintenance - Plant & Machinery		423,175	579,553
	Consumable Stores Consumption		1,467,810	1,790,728
	Repair & Maintenance - Building		56,144	258,664
	Lab Chemicals		98,560	133,065
	Repair & Maintenance - Vehicles Factory		26,875	28,700
	Repair & Maintenance - Others		54,796	159,002
	Insurance		-	528,770
	Unifrom		76,150	76,500
	Miscellaneous Expenses		173,355	234,745
	Depreciation		11,114,384	12,196,542
	<b>Total</b>		<b>35,127,070</b>	<b>42,087,716</b>

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>23.00</b>	<b>Administrative &amp; General Expenses</b>			
	Salaries & Festival Bonus		4,483,044	4,018,986
	Office Rent		952,136	854,743
	Electricity Bill		159,646	159,338
	Telephone, Fax & Newspaper Bill		175,299	21,637
	Mobile Bill		159,600	166,300
	Internet Bill		282,000	282,000
	Photocopy & Stationery		88,528	117,555
	Office Expenses		90,045	103,718
	Local Conveyance		167,724	255,889
	Fuel & Lubricants		96,560	204,676
	Repair & Maintenance - Motor Vehicles (H.O)		217,290	127,340
	Repair & Maintenance (Factory & H.O)		31,705	31,197
	Renewal & Registration		126,531	324,827
	Miscellaneous Expenses		403,419	347,772
	Food Allowance		203,279	203,194
	Audit Fees		195,500	195,500
	Legal & Professional Fees		812,950	165,650
	Bord Meeting Fees		58,275	68,550
	AGM Expenses		307,970	528,716
	Listing Fees - DSE, CSE & CDBL		1,041,887	1,030,370
	Depreciation		2,778,596	3,049,136
	<b>Total</b>		<b>12,831,984</b>	<b>12,257,094</b>
<b>24.00</b>	<b>Selling &amp; Distribution Expenses</b>			
	Salaries, Allowances & Festival Bonus		4,185,812	2,924,040
	Business Promotion Expenses		1,162,400	839,000
	Traveling & Conveyance (Marketing)		1,504,615	1,337,961
	Sample Distribution		671,500	447,681
	Advertisement Expenses		15,100	75,876
	<b>Total</b>		<b>7,539,427</b>	<b>5,624,558</b>
<b>25.00</b>	<b>Financial Expense</b>			
	Bank Charges & Commission		295,485	423,866
	Interest on Term Loan		45,337,214	47,775,798
	<b>Total</b>		<b>45,632,699</b>	<b>48,199,664</b>
<b>26.00</b>	<b>Other Income</b>			
	Realized Gain on Share Investment		-	6,886,080
	Dividend Income		-	316,800
	Interest Income (STD)		1,977	18,450
	<b>Total</b>		<b>1,977</b>	<b>7,221,330</b>
<b>27.00</b>	<b>Contribution to Workers Profit Participation Fund</b>			
	<i>This represents 5% on net profit after charging such contribution but before tax contribution by the company as per provisions of Bangladesh Labour Law, 2006.</i>			
	Workers Profit Participation Fund		166,903	497,028
	<b>Total</b>		<b>166,903</b>	<b>497,028</b>

## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022
<b>28.00</b>	<b>Earnings Per Share (EPS)</b>			
	Net Profit after Tax		1,874,805	7,656,743
	Weighted Average Number of Shares	<b>Note: 28.01</b>	93,361,324	93,361,324
	<b>EPS on the basis of Weighted Average Number of Share</b>		<b>0.02</b>	<b>0.08</b>
<b>28.01</b>	<b>Weighted Average Number of Shares Outstanding</b>			
	Opening Outstanding Share		93,361,324	92,436,955
	Add: Stock Dividend		-	924,369
	<b>Total</b>		<b>93,361,324</b>	<b>93,361,324</b>
<b>29.00</b>	<b>Production Capacity and Current Utilization:</b>			
	Installed Capacity (in MT)		86,400.00	86,400.00
	Actual Production (in MT)		14,643.62	27,600.07
			<b>16.95%</b>	<b>31.94%</b>
<b>30.00</b>	<b>Net Assets Value (NAV)</b>			
	Share Capital		933,613,240	933,613,240
	Retained Earnings		160,189,779	164,812,915
	General Reserve		6,190,000	6,190,000
			<b>1,099,993,019</b>	<b>1,104,616,155</b>
	<b>Weighted Average Number of Shares</b>	<b>Note: 28.01</b>	<b>93,361,324</b>	<b>93,361,324</b>
	<b>Net Assets Value Per Share (NAVPS)</b>		<b>11.78</b>	<b>11.83</b>
<b>31.00</b>	<b>Reconciliation of Cash Flows from Operating Activities:</b>			
	Turnover		576,624,723	645,628,451
	Interest Income		1,977	18,450
	(Increase)/Decrease in Accounts Receivable		(58,535,610)	(48,897,399)
	Cost of Goods Sold		(507,117,635)	(576,330,877)
	(Increase)/Decrease in Inventory		2,639,938	(1,002,599)
	Increase/(Decrease) in Accounts Payable		(2,109,218)	(6,450,391)
	Depreciation		13,892,979	15,245,678
	Administrative Expenses		(12,831,984)	(12,257,094)
	Selling & Distribution Expenses		(7,539,427)	(5,624,558)
	(Increase)/Decrease in Advance Deposits & Prepayments		23,694,989	11,870,948
	Income Tax Paid		(2,200,000)	(11,233,669)
	Increase/(Decrease) in Liabilities for Expenses		792,200	(2,809,281)
	<b>Net Cash Provided by Operating Activities</b>		<b>27,312,933</b>	<b>8,157,659</b>
	<b>Weighted Average Number of Shares</b>	<b>Note: 28.01</b>	<b>93,361,324</b>	<b>93,361,324</b>
	<b>Net Operating Cash Flows per Share (NOCFPS)</b>		<b>0.29</b>	<b>0.09</b>

# National Feed Mill Limited

Particulars	30.06.2023	30.06.2022	Tax Amount	
1st 10,00,000 @ 3%	1,000,000	1,000,000	30,000	30,000
2nd 20,00,000 @ 10%	2,000,000	2,000,000	200,000	200,000
Rest of Amount @ 15%	3,506,029	3,341,212	525,904	501,182
<b>Total Income Tax Expenses</b>			<b>756,349</b>	<b>1,487,301</b>
<b>Total Income Tax Expenses - Turnover Tax which is higher</b>			<b>1,887,580</b>	<b>2,869,085</b>

### 32.01 Reconciliation of Effective Tax Rate:

Net Profit before Tax			3,338,053	9,940,560
	<u>Percentage</u>	<u>Percentage</u>		
<b>Tax using the Company's Tax Rate</b>	<b>56.55%</b>	<b>28.86%</b>	<b>1,887,580</b>	<b>2,869,085</b>

**33.00 Employee Position for National Feed Mill Limited ( as at June 30, 2023)**

*Disclosure as per requirement of Schedule XI, Part II of the Company Act, 1994*

Salary Range	Officer & Staff		Workers	Total No. of Employees
	Factory	Head Office		
Below < 3000	Nil	Nil	Nil	Nil
Above > 3000	34	23	74	131
<b>Total</b>	<b>34</b>	<b>23</b>	<b>74</b>	<b>131</b>



## National Feed Mill Limited

Note No.	Particulars	Sub-Note	Amount in Taka	
			30.06.2023	30.06.2022

### 35.00 Disclosure of Managerial Remuneration:

35.01 The total amount of Meeting Fee paid to the Director of the Company during the year is as follows:

Name	Designation	Nature of Transaction	30.06.2023	30.06.2022
1. Mrs. Farida Jahan Babul	Chairman	Board Meeting Fee	8,679	12,000
2. Mr. Akhter Hossain Babul	Managing Director		8,679	12,000
3. Mr. Adib Hossain Babul	Director		8,679	9,000
4. Mr. Rezaul Karim	Director		8,679	9,000
5. Mrs. Lipi Sultana Karim	Director		8,679	8,550
6. Mr. Mahbub Hasan	Independent Director		7,440	9,000
7. Ziahur Rahman Mazumdar	Independent Director		7,440	9,000
Total			58,275	68,550

35.02 The total amount of Remuneration paid to Salaried person of the Company during the year is as follows:

Name	Designation	30.06.2023	30.06.2022
1. Mr. Akhter Hossain Babul	Managing Director	400,000	1,620,000
Total		400,000	1,620,000

35.03 The total amount of Remuneration paid to the top Five Salaried Officers of the Company during the year is as follows:

Name	Nature of Transaction	30.06.2023	30.06.2022
Md. Khalequzzaman	Salaries & Festival Bonus	1,300,000	676,000
Md. Anower Hossain		600,147	881,500
Md. Arifur Rahman		405,000	390,000
Mirza Nurul Amin		676,000	585,000
Md. Firoj Alam		747,510	704,595
Total		3,728,657	3,237,095

### 36.00 Contingent Assets and Liabilities Disclosure under IAS: 37

The company has Contingent Liabilities against Income Tax Liabilities which is given as follows:

**Assessment Year:** 2011-2012, 2013-2014, 2015-2016, 2016-2017, 2017-2018

**Amount in Tk.** 1,81,09,181 against this contingent liability company appeal to ADR.

*There were no claims Legal or Otherwise, not acknowledged as Debt, outstanding as of the end of the reporting period. There was no unprovided committed expenditure as at June 30, 2023.*

**National Feed Mill Limited**  
Schedule of Property, Plant and Equipment  
As at June 30, 2023

Annexure-A

Sl. No.	Particulars	Cost			Rate (%)	Depreciation			Written Down Value as at 30.06.2023
		Balance as on 01.07.2022	Addition during the year	Balance as on 30.06.2023		Balance as on 01.07.2022	Charged during the year	Balance as on 30.06.2023	
1	Freehold Land & Cost of Development	135,453,300	-	135,453,300	0%	-	-	-	135,453,300
2	Building & Other Construction	162,070,293	200,800	162,271,093	5%	66,285,387	4,798,182	71,083,569	91,187,524
3	Plant & Machinery	184,616,213	-	184,616,213	10%	126,329,588	5,828,662	132,158,251	52,457,962
4	Stand-By Diesel Generator	19,230,324	-	19,230,324	15%	12,966,191	939,620	13,905,811	5,324,513
5	Transport & Vehicles	28,042,620	-	28,042,620	15%	22,754,713	793,186	23,547,899	4,494,721
6	Electrical & Other Installation	8,809,945	-	8,809,945	15%	7,543,506	189,966	7,733,472	1,076,473
7	Furniture & Fixture	2,735,773	244,500	2,980,273	10%	1,635,699	127,222	1,762,922	1,217,351
8	Office Equipment	4,109,412	312,500	4,421,912	15%	2,982,698	202,634	3,185,332	1,236,580
9	Tools & Equipment	27,401,321	-	27,401,321	20%	22,346,190	1,011,026	23,357,216	4,044,105
10	Telephone & Others	95,500	-	95,500	10%	70,699	2,480	73,179	22,321
	<b>Total as on 30.06.2023</b>	<b>572,564,701</b>	<b>757,800</b>	<b>573,322,501</b>		<b>262,914,671</b>	<b>13,892,979</b>	<b>276,807,650</b>	<b>296,514,851</b>
	<b>Total as on 30.06.2022</b>	<b>569,003,739</b>	<b>3,560,962</b>	<b>572,564,701</b>		<b>247,668,993</b>	<b>15,245,678</b>	<b>262,914,671</b>	<b>309,650,030</b>

Allocation of Depreciation	(%)	Amount in Taka	
		30.06.2023	30.06.2022
Cost of Goods Sold (Note-22.02.02)	80%	11,114,384	12,196,542
Administrative Overhead (Note: 23)	20%	2,778,596	3,049,136
<b>Total</b>	<b>100%</b>	<b>13,892,979</b>	<b>15,245,678</b>

National Feed Mill Limited

National Feed Mill Limited  
Related Party Disclosure  
As at June 30, 2023

Note: 08.01

Annexure-B

During the year, the Company carried out a number of transaction with Related Parties in the normal course of business. The names of these Related Parties and nature of these transaction have been set out below in accordance with the provisions of IAS-24: Related Party Disclosure.

Sl. No	Name of the Party	Nature of Relationship	Nature of Transaction	Transaction Value			
				Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
1	Karnopur Agro Industries Ltd.	Common Directorship	Advance against Purchase of Raw Materials and Feed Making	3,032,641	6,195,000	7,946,036	1,281,605
2	National Hatchery Ltd.	Common Directorship	Advance against Purchase of Raw Materials & Feed Sale	35,808,129	7,014,700	28,183,813	14,639,016
Total				38,840,770	13,209,700	36,129,849	15,920,621



## NATIONAL FEED MILL LIMITED

Registered & Factory Address: Baniarchala-Memberbari, Bhabanipur, Gazipur, Bangladesh  
Corporate Office: House # 51, Road # 15, Sector # 03, Uttara, Dhaka-1230.

### PROXY FORM

I/we \_\_\_\_\_ being a member(s) of **National Feed Mill Limited** do hereby appoint Mr/Ms \_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy to attend and vote on behalf of me / us at the **23<sup>rd</sup> Annual General Meeting (AGM)** of the Company to be held on **Tuesday, the 26<sup>th</sup> December, 2023 at 11.00 am** on Digital Platform to transact the following business:

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2023.

Folio No. \_\_\_\_\_

BO A/C No.

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No. of Share(S): \_\_\_\_\_

\_\_\_\_\_  
Signature of the proxy with date

Revenue  
Stamp  
for Tk. 20.00  
(Twenty) only

\_\_\_\_\_  
Signature of the Member with date

**N.B.:** This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Share Department (the Company's Corporate office House # 51, Road # 15, Sector # 03, Uttara, Dhaka-1230 of the Company at least 48 (Forty Eight) hours before the Meeting.



## NATIONAL FEED MILL LIMITED

Registered & Factory Address: Baniarchala-Memberbari, Bhabanipur, Gazipur, Bangladesh  
Corporate Office: House # 51, Road # 15, Sector # 03, Uttara, Dhaka-1230.

### ATTENDANCE SLIP

I do hereby submit the Attendance slip in connection with the the **23<sup>rd</sup> Annual General Meeting (AGM)** of the Company to be held on **Tuesday, the 26<sup>th</sup> December, 2023 at 11.00 am** on Digital Platform to transact the following business:.

Full Name of the Member : \_\_\_\_\_

Signature with date

Folio No.

BO ID No.

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No. of Share(S) \_\_\_\_\_

Full Name of the Attorney/ Proxy \_\_\_\_\_

Signature with date

**N.B.:** (i) Shareholders are requested to handover the attendance Slip at the entrance of the Meeting Hall.  
(ii) No gift or benefit in case or kind shall be paid / offered to the Shareholders as per Circular No. SEC/CMRRCD/ 2009-193/154 of BSEC for attending the AGM.



**NATIONAL FEED MILL LIMITED**

**Registered Address & Factory:**

Baniarchala, Membar Bari, Bhabanipur  
Gazipur, Bangladesh



**Corporate Office**

ABC North Ridge, House# 51, Road# 15 (Rabindra Soroni),  
Sector# 03, Uttara, Dhaka, Bangladesh