

Independent Auditor's Report To The Shareholders of National Feed Mill Limited

We have audited the accompanying financial statements of National Feed Mill Limited, which comprise the Statement of Financial position as at June 30, 2017 along with Statement of Profit or loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, Companies Act 1994, The Securities and Exchange rules 1987 & other applicable rules & Regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

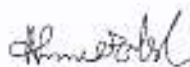
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **National Feed Mill Limited** as of June 30, 2017 and of its financial performance for the period then ended in accordance with Bangladesh Financial Reporting Standards, the Securities and Exchange rules 1987 and comply with the Companies Act 1994 and other applicable rules and regulations.

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of Financial position, Statement of Profit Or Loss and other comprehensive Income and Statement of Cash flows dealt with by the report are in agreement with the books of accounts;
- d) the expenditure incurred and payments made were for the purposes of the company's business for the period.

Place: Dhaka
Dated: October 28, 2017


Ahmed Zaker & Co.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Limited Statement of Financial Position As at June 30, 2017

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
ASSETS			
Non-Current Assets		375,423,950	389,320,808
Property, Plant and Equipment	4.00	375,423,950	389,320,808
Current Assets:		1,245,234,055	1,088,135,413
Inventory	5.00	543,155,167	509,220,348
Accounts Receivable	6.00	560,064,060	438,139,569
Advance, Deposits & Prepayments	7.00	121,346,979	103,297,794
Investments	8.00	-	4,000,000
Interest Receivable	9.00	-	829,121
Cash and cash equivalents	10.00	20,667,849	32,648,581
Total Assets		1,620,658,005	1,477,456,221
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders Equity		1,019,485,976	938,184,639
Share Capital	11.00	733,700,000	638,000,000
Retained Earnings	12.00	279,595,976	293,994,639
General Reserve	13.00	6,190,000	6,190,000
Non-Current Liabilities		19,371,592	18,816,942
Long Term Loan	14.00	464,271	733,370
Deferred Tax	15.00	18,907,321	18,083,572
Current Liabilities		581,800,437	520,454,639
Accounts Payable	16.00	71,182,449	70,676,697
Liabilities for Expenses & Other Finance	17.00	10,601,607	10,192,443
Workers Profit Participation Fund	18.00	18,931,842	14,166,141
Long Term Loans-Current portion	19.00	250,070	937,741
Short Term Loan	20.00	449,875,386	404,711,464
Provision for Income Tax	21.00	30,959,083	19,770,153
Total Equity and Liabilities		1,620,658,005	1,477,456,221
Net Asset Value Per Share (NAVPS)		13.90	14.71

The accompanying Policies and explanatory notes (1-32) form an integral part of these Financial Statements.

Fasidaj Babul

Chairman

AKH. H. BAKI

Managing Director

[Signature]

Company Secretary

[Signature]

Chief Financial Officer

Signed in terms of our separate report of even date

Place: Dhaka

Dated: October 28, 2017

Ahmed Zaker & Co.

Ahmed Zaker & 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, 2017

Particulars	Notes	Amount in Taka	
		30.06.2017	30.06.2016
Turnover	22.00	1,501,338,757	1,466,437,187
Less: Cost of Goods Sold	23.00	1,306,915,874	1,279,109,141
Gross Profit		194,422,883	187,328,046
Less: Operating Expenses		37,138,597	38,907,491
Administrative Expenses	24.00	26,628,279	29,162,975
Selling & Distribution Expenses	25.00	10,510,318	9,744,516
Profit from operation		157,284,286	148,420,555
Other Income	26.00	339,344	3,410,952
Non Operating Expenses			
Financial Expenses	27.00	57,543,914	59,569,580
Net Profit for the year before WPPF		100,079,716	92,261,926
Less: Workers Profit Participation Fund	28.00	4,765,701	4,393,425
Profit before tax		95,314,015	87,868,502
Less: Provision for Tax:			
Current Tax	21.00	13,188,930	9,027,029
Deferred Tax	15.00	823,748	4,610,338
Net Profit for the period after Tax		81,301,337	74,231,135
Earning Per Share (EPS)	29.00	1.11	1.01

The accompanying Policies and explanatory notes (1-32) form an integral part of these Financial Statements.

Fasila Babul
Chairman

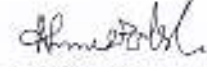
Akshay Kumar
Managing Director


Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date

Place: Dhaka
Dated: October 28, 2017


Ahmed Zaker & Co.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Limited Statement of Changes in Equity For the year ended June 30, 2017

Particulars	Share Capital	Retained Earnings	General Reserve	Total
Balance as on 01 July, 2016	638,000,000	293,994,639	6,190,000	938,184,639
Net Profit for the year ended 30 June, 2017	-	81,301,337	-	81,301,337
Stock Dividend	95,700,000	(95,700,000)	-	-
Balance as on 30 June, 2017	733,700,000	279,595,976	6,190,000	1,019,485,976

Particulars	Share Capital	Retained Earnings	General Reserve	Total
Balance as on 01 July, 2015	638,000,000	231,918,360	6,190,000	876,108,360
Adjustment to Deferred Tax for Tax Rate Change Under SRO - 199	-	(10,539,437)	-	(10,539,437)
Disallow previous 3 year assessment	-	(1,615,418)	-	(1,615,418)
Net Profit for the year ended 30 June, 2016	-	74,231,135	-	74,231,135
Balance as on 30 June, 2016	638,000,000	293,994,639	6,190,000	938,184,639

Fazlay Babul
Chairman

Akshay Kumar
Managing Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Signed in terms of our separate report of even date

Place: Dhaka
Dated: October 28, 2017

[Signature]
Ahmed Zaker & Co.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Limited Statement of Cash Flows For the year ended June 30, 2017

Particulars	Amount in Taka	
	30.06.2017	31.06.2016
1. Cash Flows from Operating Activities		
Cash Receipts from Customer	1,379,414,266	1,374,603,944
Interest Received	961,054	5,302,581
Cash Payment to Suppliers and employees	(1,315,960,519)	(1,241,237,757)
Cash paid for Expenses	(54,556,757)	(68,328,547)
Tax Paid	(4,910,244)	(4,003,839)
Net cash provided from Operating Activities	4,947,800	66,336,382
2. Cash Flows from Investing Activities		
Acquisition of property, plant & equipment	(9,003,270)	(75,731,647)
Sales on Vehicles	1,410,000	-
FDR encashment	4,000,000	53,290,000
Net Cash used in Investing Activities	(3,593,270)	(22,441,647)
3. Cash Flows from Financing Activities		
Long Term Loan Received/ Payment	(956,770)	(3,394,202)
Short Term Loan Received/Payment	31,730,238	33,822,968
Bank interest & charges payment	(44,108,730)	(45,535,376)
Dividend Paid	-	(7,565,346)
Net cash used in financing activities	(13,335,262)	(22,671,956)
Net increase/decrease in cash and cash equivalents (1+2+3)	(11,980,732)	21,222,779
Cash and cash equivalents at the beginning of the Year	32,648,581	11,425,802
Cash and cash equivalents at the end of the Year	20,667,849	32,648,581
Net Operating Cash Flows per Share (NOCFPS)	0.07	1.04

Fasidaj. Babul
Chairman

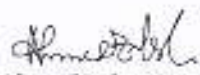
Ahmed Zaker
Managing Director


Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date

Place : Dhaka
Dated: October 28, 2017


Ahmed Zaker & Co.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Ltd.
Notes to the Financial Statements
For the yearended June30, 2017

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 Ltd. (the "Company") herein after incorporated to a public company limited by shares. The Company was incorporated in Bangladesh on 22 December 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 22, June 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 # 5, Road # 17, Sector # 07, Uttara, Dhaka-1230

1.3. Factory and Registered address of the company

BaniarChala, MemberBari, 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, highbreed 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 BAS 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, 2017 with the comparative amounts as at June 30, 2016 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 Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by 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

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future year 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 BAS 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/BAS 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.

Rates of depreciation on various classes of fixed assets are as under:

Category of fixed asset Rate (%)

Freehold Land & Cost of Development	0%
Building & Other Construction	5%
Plant & Machinery	10%
StandBy 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.

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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 evaluation of recoverability of assets was performed.

2.4. Inventories

Inventories are stated at the lower of cost and net realizable value in accordance with BAS -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.

2.6 Financial Instruments

a) Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", the company was not a party to any derivative contract (financial instruments) at the financial statement date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

b) Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

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 BAS 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. BAS 1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 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 BAS-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 BAS-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. The company has no contingent assets or liabilities which require disclosure under BAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements.

2.8 Foreign Currencies transactions and translations

These Financial Statements are presented in Bangladeshi Taka which is 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 Bangladesh Accounting Standard -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

This is being calculated and provisions is made @ 5% of the net profit 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 interest and other charges are classified as current liabilities.

2.11 Revenue Recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably as provided in BAS 18 "Revenue" and there is no continuing management involvement with the goods.

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2.12 Finance Income and Expenses

Finance income comprises interest income on funds invested. 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 BAS-23 Borrowing cost.

2.13 Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning 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 29.

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 period.

Basic earnings per share

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

2.14 Cash flow statement

Cash Flow Statement is prepared in accordance with BAS 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 BAS-7 which provides that "Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method".

2.15 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).

2.16 Risk and uncertainties for the use of estimates in preparing financial statements

Preparation of Financial Statements in conformity with the Bangladesh 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.

2.17 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 28th October, 2017 recommend 10% Stock dividend to the shareholders for the year ended 30th June 2017. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

2.18 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 BAS 24 'Related Party Disclosures', which have been disclosed under Note -7.01

2.19 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.

2.20 Comparative Information

Comparative information has been disclosed as required by BAS-34, financial reporting in respect of the previous year 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 Comprehensive Income for the comparable of the preceding financialYear.
- 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.

2.21 Taxation

2.21.1 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 @ 3%, 10% and 15% respectively according to Finance Act 2017 and 35% on remaining income, if any, as per provision of the income tax ordinance.

2.21.2 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 are changes. Therefore changes of Deferred Tax liability are adjusted with retained earnings during the year.

2.22 Reporting period

The financial statements of the company covers a period from 01 July 2016 to 30 June 2017 in accordance with Bangladesh Securities and Exchange Commission (BSEC) and sub - section 35 of section 2 of the Income Tax Ordinance 1984 for an 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.

NATIONAL FEED MILL LIMITED

2.23 Components of the Financial Statements

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

- i) Statement of Financial Position as on June 30, 2017
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017
- iii) Statement of Changes in Equity for the year ended June 30, 2017
- iv) Statement of Cash Flows for the year ended June 30, 2017
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended June 30, 2017.

3. Statement of Compliance

3.1. Compliances with Local laws and Rules

- BAS-1 Presentation of Financial Statements
- BAS-2 Inventories
- BAS-7 Statement of Cash Flows
- BAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS-10 Events after the Reporting Period
- BAS-12 Income Taxes
- BAS-16 Property, Plant & Equipment
- BAS-18 Revenue
- BAS-19 Employees Benefit
- BAS-23 Borrowing Cost
- BAS-24 Related Party Disclosures
- BAS-32 Financial Instruments Presentation
- BAS-33 Earnings Per Share (EPS)
- BAS-37 Provisions, Contingent Liabilities and Contingent Assets
- BAS-39 Financial Instruments : Recognition and Measurement
- BFRS- 7 Financial Instruments : Disclosures
- BFRS- 9 Financial Instruments

3.2. Authorization date for issuing Financial Statements

The financial statements were authorized for issue by the Board of Directors on October 28, 2017.

3.4. 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

Amount in Taka	
30.06.2017	30.06.2016

4.00 Property, Plant and Equipment

This represents the Written Down Value (WDV), break-up whereof is as under:

Cost

Opening Balance

Add: Addition during the year

544,443,063	442,712,206
9,003,270	101,730,857

Less: Disposal during the year

553,446,333	544,443,063
4,234,100	-

Accumulated Depreciation

Opening Balance

Add: Charge during the Year

155,122,255	130,286,212
21,697,539	24,836,043

Less: Adjust during the Year

176,819,794	155,122,255
3,031,511	-

Total Written down value

173,788,283	155,122,255
375,423,950	389,320,808

Details of Property, Plant and Equipment are shown in the Annexure "A".

5.00 Inventory

The make-up of the sum is as under:

Finished Product

Raw Materials and Others Materials

Spare Parts

22,268,478	14,589,296
497,506,616	470,911,424
23,380,073	23,719,628

The details of the sum are stated in Annexure "C"

543,155,167	509,220,348
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6.00 Accounts Receivable

Accounts Receivable

560,064,060	438,139,569
560,064,060	438,139,569

The above balance represents dues from various parties against sales. The balances are considered good and collectable. No bad debts were made during the year from the outstanding balances.

Aging Schedule of Accounts Receivable	Amount in Taka
0 - 90 days	386,420,685
91 - 180 days	120,366,802
181 days - 365 days	53,276,573
Total	560,064,060

7.00 Advances, Deposits & Prepayments

The break up of the sum is as under:

Balance with related Companies (Note-7.01)

Advances (Note-7.02)

Deposits (Note-7.03)

91,309,878	82,834,236
28,997,520	19,423,977
1,039,581	1,039,581
121,346,979	103,297,794

NATIONAL FEED MILL LIMITED

		Amount in Taka	
		30.06.2017	30.06.2016
7.01	Balance with related Companies		
	This balance consists of as follows :		
	Karnapur Agro Industries Ltd.	7,812,078	4,344,100
	National Electrode & Electronics Ltd.	5,642,667	18,294,367
	National Hatchery Ltd.	77,855,133	60,195,769
		91,309,878	82,834,236
	The details of the sum are stated in Annexure "B"		
7.02	Advances		
	This balance consists of as follows :		
	Advance to Staff against salary	242,722	34,998
	Advance Against Purchase	2,912,331	2,462,529
	Advance to others suppliers	1,393,150	1,673,418
	Advance Income Tax (AIT) (Note-7.02.01)	6,226,041	3,315,797
	LC Margin	17,692,680	11,005,483
	Prepaid Insurance premium	530,596	931,752
		28,997,520	19,423,977
7.02.1	Advance Income Tax (AIT)		
	Opening Balance	3,315,797	7,370,888
	Add: Paid during the year	2,910,244	3,315,797
		6,226,041	10,686,685
	Less: Adjust to provision for Income Tax	-	5,755,470
	Less: Adjust to Retained Earnings	-	1,615,418
		6,226,041	3,315,797
7.03	Deposits		
	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
		1,039,581	1,039,581
	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 & Distribution Company Ltd.		
8.00	Investment		
	The make-up of the sum is as under:		
	1.FDR with Bank Asia Ltd.	4,000,000	4,000,000
	2.FDR with Meghna Bank Ltd.	-	81,790,000
		4,000,000	85,790,000
	Less: Encashment	4,000,000	81,790,000
		-	4,000,000
9.00	Interest Receivable		
	This balance consists of as follows :		
	Opening Balance	829,121	361,555
	Accrued Interest on FDR Bank Asia	53,608	469,637
	Accrued Interest on FDR Meghna Bank	-	5,846,929
		882,729	6,678,121
	Less: Realised during the year	882,729	5,849,000
		-	829,121