



NATIONAL FEED MILL LIMITED

ANNUAL **REPORT** 2021-2022



ANNUAL REPORT
2021-2022



NATIONAL FEED MILL LIMITED



Table of Contents

Letter of Transmittal	01
Events Highlights of 22nd AGM	02
Notice of the 22nd Annual General Meeting	03
Corporate Profile	04
Factory Highlights	05
Five years Financial Summary	06-07
NFML at a Glance	08
Vision, Mission Objective	09
Board of Directors and Management of the Company	10
Profile of the Board of Directors	11-12
Message from the Chairman	13-14
Directors Report	15-22
Management Discussion and Analysis of Financial Position and Performance	23-25
Risk Concern & Methodology to Control the threat	26-27
Code Of Conduct	28-29
Dividend Distribution Policy	30-32
Audit Committee Report	33-35
Report on the Nomination & Remuneration Committee (NRC)	36-37
Declaration by CEO and CFO (Annexure- A)	38-39
Corporate Governance Compliance report (Annexure- B & C)	40-66
Independent Auditors Report to the Shareholder's	67-73
Statement of Financial Position	74
Statement of Comprehensive income	75
Statement of Changes in Equity	76
Statement of Cash Flows	77
Notes to the Financial Statements	78-101
Proxy form and Attendance	102



Transmittal Letter

To

All Share Holders,
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, 2022.

Dear Sir(s),

We are pleased to enclose the notice of 22nd 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, 2022 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 21st 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 22nd Annual General Meeting

Notice is hereby given that the 22nd (Twenty-Second) Annual General Meeting (AGM) of National Feed Mill Limited In Shaa Allah will be held on 31st December, 2022 Saturday, at 11:00 a.m. at Digital Platform In Shaa Allah to transact the following business:

AGENDA:

1. To receive, consider and adopt the Director's Report, the Audited Financial Statement for the year ended 30th June, 2022 and the Auditor's Report thereon;
2. To approve/Declare Dividend for the year ended 30th June, 2022, as recommended by the Board of Director's.
3. To elect /re-elect Directors as per terms of the relevant provision of the Articles of Association of the company.
4. To appoint Statutory Auditors and professionals for compliance of corporate governance code for the year 2022-2023 and fix their remuneration.
5. To transact any other business with the permission of the Chair.

By Order of the Board

Dated: Dhaka
06th December, 2022


Md. Arifur Rahman
Company Secretary

Notes:

1. November 24, 2022 is scheduled as Record Date for the Company's 22nd 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 and entitled to receive the dividend In Shaa Allah.
2. The Board of Directors recommended 1% Cash Dividend (Without Sponsor) for the valued shareholders of the Company subject to approval of Shareholders.
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 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://nfm12022.digitallagmbd.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 2021-2022 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 2021-2022 also be available on the Company's website at: 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 in 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.
7. Members are requested to update their respective BO Account with 12 Digit e-IIN, Bank Account, Mailing Address and Contact Number through their respective Depository Participant (DP).
8. The concern Brokerage House/DP are requested to provide us the statement (both hard and soft copy) with details of their margin loan holders entitled to Dividend for the year ended on 30 June 2022.

Corporate Profile

Registered Name	:	National Feed Mill Limited
Legal Status	:	Public Limited Company
Date of Incorporation	:	22 nd 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 th January, 2015
Date of Listing with CSE	:	15 th December, 2014
Auditors	:	M/s. Ahmed Zaker & Co. Chartered Accountants Green City Edge (Level-10), 89 Kakrail, 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

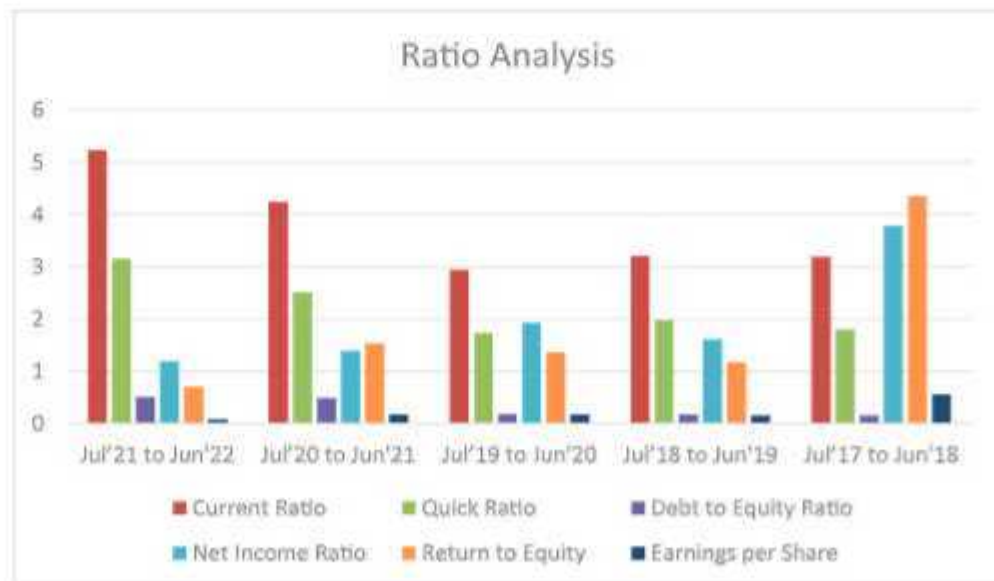
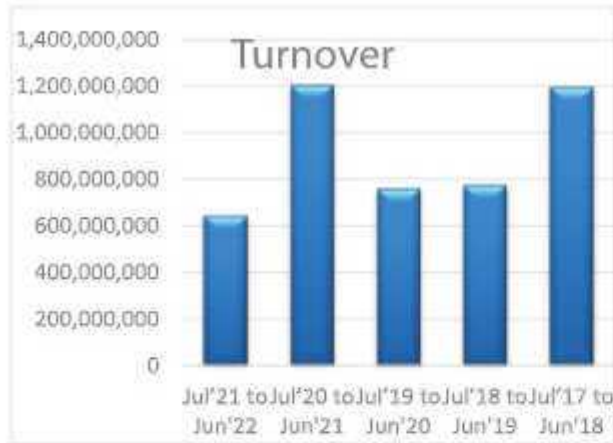


Five Years Financial Summary

Operational Result	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19	Jul'17 to Jun'18
Turnover	645,628,451	1,207,557,628	762,847,130	777,619,583	1,197,947,998
Gross Profit	69,297,574	182,201,641	103,445,927	90,677,459	141,876,252
Profit from Operation	51,415,922	64,954,053	85,131,009	67,850,649	110,848,631
Net Profit Before Tax	9,940,560	19,503,958	17,066,915	14,531,735	53,065,241
Net Profit After Tax	7,656,743	16,804,050	14,715,790	12,557,210	45,310,468
Net Cash Flow from Operation	8,157,659	48,083,079	4,724,409	11,521,860	107,001,001

Financial Position	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19	Jul'17 to Jun'18
Non Current Assets	319,053,356	339,988,221	333,650,065	347,137,720	359,257,481
Current Assets	1,469,396,594	1,437,810,600	1,403,986,619	1,308,061,217	1,276,533,767
Share Holders Equity	1,104,616,155	1,097,417,190	1,092,069,444	1,077,353,654	1,064,796,444
Long Term Liability	385,126,886	322,410,663	149,519,787	151,114,002	151,366,756

Key Financial Ratio	Jul'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19	Jul'17 to Jun'18
Current Ratio	5.23	4.24	2.94	3.21	3.19
Quick Ratio	3.15	2.51	1.74	1.98	1.80
Debt to Equity Ratio	0.51	0.49	0.19	0.17	0.16
Net Income Ratio	1.19	1.39	1.93	1.61	3.78
Return to Equity	0.70	1.53	1.36	1.17	4.35
Earnings per Share	0.08	0.18	0.17	0.15	0.56



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

National Feed Mill Limited (NFML) incorporated in Bangladesh on 22nd 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, produce Various types of Poultry feed, fish feed & cattle feed.

NFML incorporated in 1999 as Private Limited Company and arrange 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 all these works 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 fully use as company raw material for various feed production. Total capacity of seed Crushing Plant is 1248 MT per month. The plant starts 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. Rezaul Karim	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 Independent Director	Chairman
Mr. Rezaul Karim Director	Member
Mrs. Lipi Sultana karim Director	Member
Mr. Md. Arifur Rahman Company Secretary	Member 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 agribusinesses 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 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 Milwite 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 bachelors 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.

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 27 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 16 years.



Director's Involvements in Companies

Mrs. Farida Jehan Babul	Chairman, National Feed Mill Limited Director, National Hatchery Limited Director, Karnapur Agro Industries Limited
Mr. Akther Hossain Babul	Managing Director, National Feed Mill Limited Chairman, National Hatchery Limited Director, Karnapur 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,

I would like to cordially welcome all our valuable shareholders on the Special occasion of the 22nd 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 2021-2022. On behalf of the board of director's I convey my gratitude to all our valued shareholders for the continued support towards the company over the past years.

As you all are aware, after the years long COVID-19 pandemic, a new kind of existential threat due to the Russia – Ukraine war, has disrupted global supply chains, which has created instability within the forex market and most importantly caused an unprecedented power crisis in Bangladesh. Moreover, during this year's worldwide political turmoil situation, the cost of Raw Material and Fuel & transportation increased substantially, which directly effected the manufacturing of locally consumed goods.

Due to the COVID-19 impact and unprecedented power crisis in Bangladesh, In the financial year 2021-2022 Companies net sales have decreased to 645,628,451 Taka comparing to 1,207,557,628 Taka in the financial year 2020-2021. Total assets have increased to 1,788,449,950 from 1,777,798,821. EPS is Taka 0.08 compared to tk.0.18 from the previous period. NAV is tk. 11.83 per share compared to tk.11.87 in the last 12-month period.

Dear Shareholders,

The Feed Mill sector of Bangladesh is going through a stress test as the cost of corn/maize, soybean, full fat, DORB (de-oiled rice barn) and the many additives that are essential raw materials for the manufacturing of animal feed have increased in price due to the deep devaluation of the local currency against the US dollar, global supply chain constraints, and internal inflationary pressures within the country. As a result, this has increased our cost of production, which caused us to increase feed price that negatively effected revenue growth, which expedited the negative run of our EPS growth against the prior period. The management of the company has adopted new 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 pleased to recommend @1% Cash dividend for general public shareholders other than Sponsors/Directors for the year ended June 30, 2022, which 'In Shaa Allah' will be disbursed upon approval of shareholders at the ensuing Annual General Meeting.

The Board of Directors of National Feed Mill Limited has always focused on maximizing shareholders' value through the formulation of policies and guidance to ensure sustainable profitability, prudent risk

National Feed Mill Limited

management and good governance. As the Chairman of your Company, my objectives are to make sure that the Board of Directors actively continues to play their due part in the coming years.

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 wish to thank each and every employee of the Company along with our Auditor's for their hard work. I remain personally grateful to the honorable members of the Board for having vested their confidence in my leadership and also 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 J. Babul

(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 2022, 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 Ministry of Fisheries & Livestock of Bangladesh, the per capita meat consumption for an average Bangladesh is amounted to be 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 in 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, increasing raw material and finished goods price, which has 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 fund security of the country.

Financial results

The Company reported sales of Taka 645,628,451 in 30th June 2022, against Taka 1,207,557,628 reported in 30th June 2021. Gross profit Taka 69,297,574 in 30th June 2022 against Taka 182,201,641 reported in 30th June 2021. Net profit after tax Taka 7,656,743 in 30th June 2022 stood against Taka 16,804,050 achieved in 30th June 2021.

National Feed Mill Limited

The company's financial performances for the year period from 1st July 2021 to 30th June 2022 as compared to previous year are summarized hereunder:

Particulars	1 st July 2021 to 30 th June 2022	1 st July 2020 to 30 th June 2021
Turnover	645,628,451	1,207,557,628
Gross Profit	69,297,574	182,201,641
Provision for Tax	2,869,085	3,420,391
Net Profit After Tax	7,656,743	16,804,050
Gross Profit Margin	10.73	15.09%
Net Profit Margin	1.19	1.39%
Earnings Per Share	0.08	0.18
Number of Shares used to compute EPS	93,361,324	92,436,955

During this year, EPS has decreased significantly against the prior period, due to Company's negative revenue growth. After the years long COVID-19 pandemic, a new threat i.e Russia – Ukraine war, has disrupted global supply chain, which has created instability within the forex market, and caused an unprecedented power crisis in Bangladesh. Earnings per Share (EPS) are Tk. 0.08 & Tk. 0.18 for the financial year 2021-2022 & 2020-2021 the current year's EPS existing has decreased significantly against the last Year but fourth quarter EPS was positive compared to with the last three quarters.

NOCFPS has also been decreased due to decreased Sales and collection against Sales was Lower than the payment to suppliers. Tax paid and loan installments were higher than previous year.

Net Asset Value Per Share has also been decreased due to declining net profit and no unrealized gains during the year

Segment- wise Revenue Earning.

Particulars	1st July 21 – June'22	1st July 20 – June'21
Broiler Feed	281,751,367	565,426,814
Layer Feed	221,571,066	419,368,889
Fish Feed	49,728,627	98,714,952
Cattle Feed	31,562,745	35,049,497
Feed Processing	25,760,237	13,226,914
Floating Feed	35,254,409	75,770,562

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 26-27 of the Annual Reports.

Explanation on any reservation, qualification or adverse remarks above Matter of Emphasis

In the Audited Financial Statements for the Years 2021-2022 Auditor express emphasis of matter as under

1. We draw attention in the notes # 8 of the financial statements as the company had written off Tk. 95,627,134 against receivable amount as at June 30, 2021 but during the financial year the company has not written off any amount against the uncollectable receivable amount according to IFRS -9 Para-5.5.1 & 5.5.9.
2. In the notes # 9.01 Advance, Deposit & Prepayment includes Tk. 38,840,770 out of which Tk. 3,032,641 relates to Karnapur Agro Industries Ltd. and Tk. 35,808,129 to National Hatchery Ltd. which is given as advance without business consideration.
3. The Bangladesh Labor (amended) act 2013 requires the company to contribute 5% of its net profit to WPPF. The management has ascertained the amount and made necessary provision but not made any payment which is apparent as noncompliance of the said act. The company shall pay to the Participation fund, the welfare fund, and fund established under section 14 of Bangladesh Workers Welfare Foundation Act, 2006, not later than six months from the close of that year, five percent (5%) of its net profits during such year, the proportion of the Payment to above mentioned funds shall be 80:10:10 respectively.
4. During the year the company has not disclosed its contingent liabilities against income Tax liabilities.

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

Particulars	1 st July 21 – 30 th June'22	1 st July 20 – 30 th June'21
Cost of Goods Sold	576,330,877	1,025,355,988
Gross Profit	69,297,574	182,201,641
Net Profit	7,656,743	16,804,050

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.9.01 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:

Company Secretary	: Md. Arifur Rahman
Chief Financial Officer	: Md. Firoj Alam
Head of Internal Audit & Compliances	: 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 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. Mrs. Farida Jahan Babul
2. Mrs. Lipy Sultana 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, 2022 is shown as below:

Name of the shareholders	Position	Shares Held	%
A. Parent/Subsidiary/Associated companies and other related parties			
B. Directors Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit & Compliances and their Spouse and Minor Children			
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%

National Feed Mill Limited

Lipy Sultana Karim	Director	1,884,530	2.02%
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	-
C. Executives (Top 5 Salaried employees)			-
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. Abu Bakar Siddeque	Nil	Nil	Nil
D. Shareholders holding 10% or more voting interest in the company:			
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	6
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 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 28-29 of this annual report.

Management Dissuasion and Analysis:

A detailed management's discussion and analysis is given in page no. 23-25 as per condition no.

National Feed Mill Limited

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, 2022 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 (Managing Director remuneration and Director Remuneration). During the year ended 30 June 2022, 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 companies 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 company to continue its operation for a foreseeable period. Directors are convinced and have a reasonable expectation that the company has adequate resource 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 pleased to recommend @1% Cash dividend for general public shareholders other than Sponsors/Directors for the year ended June 30, 2022, which 'In Shaa Allah' will be disbursed upon approval of shareholders at the ensuing Annual General Meeting.

Statutory Auditors

The Auditors of the Company, M/s. Ahmed Zaker & Co. Chartered Accountants, Green City Edge(Level-10),89 Kakrail, Dhaka-1000, were appointed as Auditor of the Company in the 21st Annual General Meeting of the Company has carried out the audit for the year ended 30 June 2022.

M/s. Ahmed Zaker & Co. Chartered Accountants, Green City Edge(Level-10),89 Kakrail, Dhaka-1000, the auditor of the Company retires at this meeting and already completed three years Audit i.e. 2019-2020, 2020-2021 & 2021-2022. So in the year 2022-2023 they are not eligible. M/s. Islam Quzi Shafique & Co, Chartered Accountant, Al-Haj Shamsuddin Mansion, 4th Floor, Room # C, 17 New Eskaton Road, Mogbazar, Dhaka-1000, submit proposal to Audit Financial Statement of 2022-2023. 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, 4th Floor, Room # C, 17 New Eskaton Road, Mogbazar, Dhaka-10000, as statutory audit for the year 2022-2023.

Professionals for Compliance of Corporate Governance Code

The board has appointed M/s Dewan Nazrul Islam Chartered Accountants, Hasan Court(10th 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 21st Annual General Meeting of the Company has carried out for the year ended 30 June 2022. They also expressed their willingness for Report on Compliance of Corporate Governance Codes of the company for the financial year 2022-2023. The Board after due consideration of the proposal made by Audit Committee recommends for appointment M/s Dewan Nazrul Islam Chartered Accountants, Hasan Court(10th floor), 23/A Motijheel C/A, Dhaka-1000 as a professional for Report on Compliance of Corporate Governance Code of the company for the financial year 2022-2023.

National Feed Mill Limited

Acknowledgment

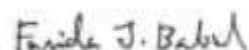
I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to our entire valued clients, shareholders and well-wishers home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the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

I also thank 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 co-operation 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 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.

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 1st July 2021 to 30th June 2022 and Directors' Report placed before you.

Thanking you,
On behalf of the Board of Directors,



Farida Jahan Babul
Chairman

Management Discussion and Analysis on Financial Position and Performance

For last five financial years the company continued a moderate in sales. The sales stood in the year is Tk. 645,628,451 Profit from Operations is Tk. 51,415,922 Net profit after tax is Tk. 7,656,743. In the last five financial years, net operating cash flow per share was positive. In the backdrop of above scenario, it indicates the company has good promise in the long run.

Accounting policy and estimation for preparing financial statements have been remained 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'21 to Jun'22	Jul'20 to Jun'21	Jul'19 to Jun'20	Jul'18 to Jun'19	Jul'17 to Jun'18
Turnover	645,628,451	1,207,557,628	762,847,130	777,619,583	1,197,947,998
Gross Profit	69,297,574	182,201,641	103,445,927	90,677,459	141,876,252
Net Profit Before Tax	9,940,560	19,503,958	17,066,915	14,531,735	53,065,241
Net Profit After Tax	7,656,743	16,804,050	14,715,790	12,557,210	45,310,468
Earnings Per Share (EPS)	0.08	0.18	0.17	0.15	0.53
Net Cash Flow from Operation	8,157,659	48,083,079	4,724,409	11,521,860	107,001,001
NOCFPS	0.09	0.52	0.06	0.14	1.33
Net Asset Value (NAV)	1,104,616,155	1,097,417,190	1,092,069,444	1,077,353,654	1,064,796,444
Net Asset Value Per Share(NAVPS)	11.83	11.87	12.76	12.71	13.19

Turnover:

The company has been faced negative revenue growth compare to last year due to the years long COVID-19 pandemic and a new kind of existential threat due to the Russia – Ukraine war, has disrupted global supply chains, which has created instability within the forex market and most importantly caused an unprecedented power crisis in Bangladesh. Moreover, during this year's worldwide political turmoil situation, the cost of Raw Material, Fuel & transportation cost increased substantially, which directly affect the manufacturing of locally consumed goods.

Earnings per Share:

This year EPS has decreased. The main reasons for decrease of EPS for the year ended 30th June 2022 are impact of previous years outstanding shares, decrease of sale and net profit due to negative impact of Covid-19 and an unprecedented power crisis in Bangladesh due to Russia – Ukraine war.

National Feed Mill Limited

Net Operating Cash Flow Per Share (NOCFPS):

NOCFPS has also decreased due to decreased of sales and collection against sales was lower than the payment to supplier, Tax paid and loan install payment higher than the previous years.

Net Asset Value per Share (NAVPS):

Net Asset Value per Share has also been decreased due to decline net profit during this year and impact of previous years outstanding shares.

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

Indicator	2021-2022		2020-2021	
	NFML	Index Agro Industries Ltd.	NFML	Index Agro Industries Ltd.
Sales	645,628,451	4,154,327,729	1,207,557,628	3,672,667,933
Net Profit after Tax	7,656,743	240,594,522	16,804,050	232,576,349
Net Cash Flow Per Share	0.09	(1.45)	0.52	(16.83)
EPS	0.08	5.09	0.18	5.63
NAVPS	11.83	62.93	11.87	58.26

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 source of good quality nutritious animal protein in term of meat and eggs.

As per Ministry of Fisheries & Livestock of Bangladesh, the per capita meat consumption on an average Bangladesh is amounted to be 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 in 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 positive impact on 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

Bangladesh economic Scenario:

As per Ministry of Fisheries & Livestock of Bangladesh, the per capita meat consumption on an average Bangladesh is amounted to be 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 in 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, impacts are falling heavily. 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 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 26-27 of the Annual Reports.

Future Plan:

The Company has taken all sorts of feasible plan, strategy 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.



Akther Hossain Babul
Managing Director

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 are 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 investment's value change due to the changes in currency exchange rates. Majority of the company's transactions are denominated in USD.

Industry Risks:

Industry risk is related with 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 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 effect the economy for the coming year.

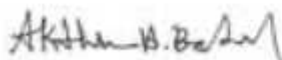
Exchange Rate Risks:

The Company procures raw materials mostly from local suppliers and its customers are local customers. Hence, 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 of 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,



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 purpose 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 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 transaction having conflict of interest should be carried out in accordance with the laws. Board members are prohibited from engaging in any activities that is 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 to disclosure of such information to any other person.

Relationship with environment:

Member 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 relationship 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 product 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:

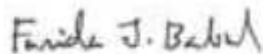
The chairperson, other board members and managing director 'In Shaa Allah' should act impartial to the employees, suppliers, customers and shareholder. They should remain independent in all material respect.

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 dividend 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 stock broker 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".



Managing Director
National Feed Mill Ltd.

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 ensuring 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 independent director who is chairperson of the committee.

Formation and operation of the Committee

The formation of 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 accept 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 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 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 risk management system of the Company.
- Review ethical standard and procedures to ensure compliance with regulatory and financial reporting requirements.
- Any other activities as per audit committee charter.

Committee Meeting and Attendance

During the year 2021-2022 the Audit Committee of the Company held Four (4) meetings under review complying with the requirements. In all meetings internal auditor gave presentation to the committee which covered internal audit plan, number of audit carried out during the year, audit observations, audit recommendations and status of its implementation. Audit Committee also met external auditor to discuss their observations on statutory audit and their recommendations for improvement. The quorum shall be not less than two directors, one of whom, at least, shall be independent director. Meetings of the

National Feed Mill Limited

Committee were attended by the Managing Director, Chief Financial Officer of the Company on invitation.

The audit committee may invite such other person (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 meeting 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:

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 2021-2022 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 2022 Contained full disclosures and reviewed these were prepared in accordance with International Financial Reporting standers(IFRSs), International Accounting Standers (IASs), as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).
- Reviewed the financial statement for the year ended 30 June 2021 Contained full disclosures and reviewed
- Reviewed the Related Party transaction.
- Reviewed the audit plan for the year 2021-2022
- Reviewed the internal control Systems
- Reviewed the findings of 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 Statuary Auditors for the year 2021-2022.
- Reviewed and recommended Professionals for Compliance of Corporate Governance Code for the year 2020- 2021.

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 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 executive as well as a policy for formal process of considering remuneration of directors, top level executive 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 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 decision 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 appointed as director, top level management and senior management.
- II) The committee shall evaluate of his experience and expertise for the position.
- III) The Committee shall also exercise the appropriate experience and educational qualification for the said position.

Meeting of NRC and Attendance

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

Name of Members	Position	Attendance
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 2021-2022 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: 28 October, 2022

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 2022

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 concerns 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 2022 and that to the best of our knowledge and belief:

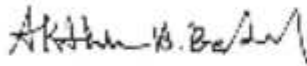
National Feed Mill Limited

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

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

Sincerely yours,



Mr .Akther Hossain Babul
Managing Director
Dated: Dhaka, 28th October 2022



Md. Firoj Alam
Chief Financial Officer
Dated: Dhaka, 28th October 2022



**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 2022. This code relate is to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd 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:

- a) The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- b) 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.
- c) 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
- d) 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.



Place: Dhaka
Date:

For Dewan Nazrul Islam & Co.
Chartered Accountants

Mohammad Rostam Hossain FCA
Enrolment No- 1340
Managing Partner

Hepen Court (10th Floor)
23/1, Motijheel C/A
Dhaka-1000, Bangladesh
Cell: 01611 628 091
Tel: +88 02 9511679
Email: dnicoordhaka@gmail.com
rostaamca1340@gmail.com
Web: dnicoordhaka.com



Independent Affiliated of
UC&CS AMERICA
www.uce-america.org
Accounting Legal and Business Advisors
A Strategic Alliance
New York Mexico

Status of Compliance with the conditions imposed by the Commission's
Notification No. BSEC/CMRRDC/2006 -158/207/Admin/80 dated 3rd June 2018

(Report under Condition no. 9)

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1.1	Board Size: 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)	Independent Directors:			
	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. Ziur 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

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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
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 (NBF1)	✓		Do

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		
1.2 (d)	The Post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days	✓		
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	✓		
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

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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 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	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	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.	✓		
1.5	The Directors' Report to Shareholders on:			
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	✓		Discussed at "Growth in diversified business arena"
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	✓		The Directors report complies with the

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	issues, rights issues and/or any other instruments			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	✓		The Directors report complies with the guideline.
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 and that the accounting estimates are based on reasonable and prudent judgment	✓		Do
1.5 (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in	✓		Do

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	preparation of the financial statements and any departure there from has been adequately disclosed			
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	✓		The Board declared 1% cash dividend (without sponsors) for the year ended 30 June 2022 which is subject to approval of shareholders on 22 nd AGM.

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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)	✓		Do
	(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)	✓		The directors' report complies with the guideline.
1.5 (xxiv)	(a) a brief resume of the director	✓		Do
	(b) nature of his or her expertise in specific functional areas	✓		Do
	(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:	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		The directors' report complies with the guideline.
	(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	✓		The directors' report complies with the guideline.
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		The directors' report complies with the guideline.
	(e) briefly explain the financial and economic scenario of the country and the globe	✓		The directors' report complies with the guideline.
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		The directors' report complies with the guideline.
	(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	✓		The directors' report complies with the guideline.

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		Do
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	✓		The directors' report complies with the guideline.
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	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	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	✓		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	Compliance (HIAC)			
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) shall be filled by different individuals.	✓		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.
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.	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		
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.

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		
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			No such incident arose.

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	work of the Audit Committee			
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	✓		
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	✓		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	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	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		
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.

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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-	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	committee of the Board			
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	✓		
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	N/A		No such issue arose.

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	N/A		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	✓		
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.

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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	✓		
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	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
	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:	✓		
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)	✓		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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 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	✓		
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)	✓		

National Feed Mill Limited

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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.	✓		
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

Independent Auditor's Report

To the Shareholders of NATIONAL FEED MILL LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NATIONAL FEED MILL LTD. (the 'Company'), which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of NATIONAL FEED MILL LTD. as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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

Emphasis of Matter

1. We draw attention in the notes # 8 of the financial statements as the company had written off Tk. 95,627,134 against receivable amount as at June 30, 2021 but during the financial year the company has not written off any amount against the uncollectable receivable amount according to IFRS -9 Para-5.5.1 & 5.5.9.
2. In the notes # 9.01 Advance, Deposit & Prepayment includes Tk. 38,840,770 out of which Tk. 3,032,641 relates to Karnopur Agro Industries Ltd. and Tk. 35,808,129 to National Hatchery Ltd. which is given as advance without business consideration.
3. The Bangladesh Labor (amended) act 2013 requires the company to contribute 5% of its net profit to WPPF. The management has ascertained the amount and made necessary provision but not made any payment which is apparent as noncompliance of the said act. The company shall pay to the Participation fund, the welfare fund, and fund established under section 14 of Bangladesh Workers Welfare Foundation Act, 2006, not later than six months from the close of that year, five percent (5%) of its net profits during such year, the proportion of the Payment to above mentioned funds shall be 80:10:10 respectively.
4. During the year the company has not disclosed its contingent liabilities against Income Tax liabilities.

Our opinion is not modified in respect of those matters.

Other Information

National Feed Mill Limited

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditors' report thereon.

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 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.

Key Audit Matters

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

Key audit matter	
Revenue recognition	How the matter was addressed in our audit
<p data-bbox="201 957 819 987">See Notes-22 to the financial statements</p> <p data-bbox="201 993 819 1655">Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of IFRS-15 "Revenue from Contracts with Customers" The application of the accounting standard involves certain key judgements relating to identification of the contract with a customer, identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized when a performance obligation is satisfied. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p data-bbox="844 993 1166 1024">Principal Audit Procedures:</p> <p data-bbox="844 1030 1455 1194">We assessed the Company's process to identify the impact of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul data-bbox="844 1200 1455 1912" style="list-style-type: none"> <li data-bbox="844 1200 1455 1306">• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. <li data-bbox="844 1313 1455 1625">• Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. <li data-bbox="844 1632 1455 1841">• Tested the relevant information technology systems' access and change management controls relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. <li data-bbox="844 1847 1455 1912">• Selected a sample of continuing and new contracts and performed the following

	<p>procedures:</p> <ul style="list-style-type: none"> • Read, analyzed and identified the distinct performance obligations in these contracts. • Compared these performance obligations with that identified and recorded by the Company. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Samples in respect of revenue recorded upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services including customer acceptances, subsequent invoicing and historical trend of collections and disputes.
<p>Key Audit Matter</p>	
<p>Inventory</p>	<p>How the matter was addressed in our audit</p>
<p>Inventories As of the reporting date the company reports Stock and Stores amounting to Taka 585,829,493 refer to note no. 7.00 to the Financial Statements</p> <p>The company may not have good title to stock. All stock may not have been valued correctly, consistently and in accordance with applicable accounting standards. Which is net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>That full provision may not have been for all damaged, obsolete or slow-moving stock. Cut-off procedure may not have been strictly applied.</p> <p>All necessary disclosures concerning stock may not have been made and the information is may not yet have been appropriately presented and described.</p>	<ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse and sales depot; • Evaluating internal controls to monitor or keep track of inventory movement; • Enquire whether any of the stock is held on behalf of third parties. • Consider whether any consignment stock has been accounted for. • Complete the stock take attendance program Trace all items selected at the stock take to the final stock sheets, internal stock records. • Select a sample of items from the final stock sheets and trace to the copies of the rough stock sheets taken during the stock take. • Review the historical accuracy of inventory provisioning and the level of inventory write-offs during the year. • Test the additions and extensions of the final stock sheet. • Ascertain the method used for valuing stock and consider whether: (a) it has been correctly applied; (b) it is an acceptable basis of valuation under applicable accounting standards; (c) it is consistent with previous year's and with the company's accounting policy.

National Feed Mill Limited

	<ul style="list-style-type: none"> • Challenging the completeness of inventory provision through assessing actual and forecast sells inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete. • Review all items of stock and work in progress and consider whether any further provision is necessary.
Key audit matter	
Recoverability of trade receivables	How the matter was addressed in our audit
<p>Refer to notes 8.00 to the financial statements of the related accounting policies, judgments and estimates.</p> <p>At 30 June 2022, the total receivables balance in note 8.00 was Taka 827,206,683 (2021: Taka 778,513,583).</p> <p>The recoverability of trade receivables and the level of provisions for bad debts are considered to be a key risk due to the significance of these balances to the financial statements, and the judgments required in making appropriate provisions.</p>	<p>In order to test the recoverability of trade receivables, we performed the following procedures:</p> <ul style="list-style-type: none"> • We evaluated the company's credit control procedures and assessed and validated the ageing profile of trade receivables; • We assessed recoverability on a sample basis by reference to cash received subsequent to year-end, agreement to the terms of the contract in place, and issue of credit notes post year-end, as necessary; • We considered the appropriateness of judgments regarding provisions for trade receivables and assessed whether these provisions were calculated in accordance with the company's provisioning policies, IFRS -9 and / or whether there was evidence of management bias in provisioning, obtaining supporting evidence as necessary. <p>We challenged management as to the recoverability of the older, unprovided amounts, corroborating management's explanations with underlying documentation and correspondence with the customer. We also challenged management in certain territories as to whether the methodology applied in determining bad debt provisions appropriately reflected the level of risk in the total receivables balance with consideration given to individual counter-party credit risk and the general economic conditions in each jurisdiction.</p> <p>Based upon the above, we are not satisfied ourselves that management had taken reasonable judgments that were materially supported by the available evidence in respect of the relevant receivable balances. We make comments in the basis of qualified opinion any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.</p>
Key audit matter	
Deferred Tax	How the matter was addressed in our audit

<p>The Company's reports net deferred tax Liability totaling Taka 17,939,563 as at 30 June 2022.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> <p>The disclosures relating to Deferred Tax are included in note 15.00 to the financial statements</p>	<ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operational effectiveness of the Institution's key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company's future taxable income. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. • We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs. • Finally assessed the appropriateness and presentation of disclosures against "IAS-12" Income Tax
--	--

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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

National Feed Mill Limited

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

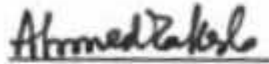
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 and the Securities and Exchange Rules 1987, we also report the following:

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

- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.



AKM Mohitul Haq, FCA
Senior Partner
Enrolment No.0458
Ahmed Zaker & Co.
Chartered Accountants

Location: Dhaka
Date: October 28, 2022

DVC- 2211030458AS431290

National Feed Mill Limited

National Feed Mill Limited Statement of Financial Position As at June 30, 2022

Particulars	Notes	Amount in Taka	
		30.06.2022	30.06.2021
ASSETS			
Non-Current Assets		319,053,356	339,988,221
Property, Plant and Equipment	4.00	309,650,030	321,334,746
Capital Work-in-Progress	5.00	9,403,326	8,438,475
Investment in Marketable Securities (Fair Value)	6.00	-	10,215,000
Current Assets:		1,469,396,594	1,437,810,600
Inventory	7.00	585,829,493	584,826,894
Accounts Receivable	8.00	827,206,683	778,513,983
Advance, Deposits & Prepayments	9.00	52,712,483	64,583,431
Cash and cash equivalents	10.00	3,647,935	9,886,292
Total Assets		1,788,449,950	1,777,798,821
SHAREHOLDERS EQUITY AND LIABILITIES			
Shareholders Equity		1,104,616,155	1,097,417,190
Share Capital	11.00	933,613,240	924,369,550
Retained Earnings	12.00	164,812,915	166,399,862
Gain/Loss on Marketable Securities (Unrealized)		-	457,778
General Reserve	13.00	6,190,000	6,190,000
Non-Current Liabilities		403,066,449	340,986,357
Long Term Loan	14.00	385,126,886	322,410,663
Deferred Tax	15.00	17,939,563	18,575,694
Current Liabilities		280,767,346	339,395,274
Accounts Payable	16.00	42,539,937	48,990,328
Liabilities for Expenses & Other Finance	17.00	6,121,818	8,931,099
Dividend Payable	18.00	170,072	170,072
Workers Profit Participation Fund	19.00	24,637,263	24,140,235
Long Term Loans-Current portion	20.00	174,095,900	215,596,600
Provision for Income Tax	21.00	33,202,357	41,566,940
Total Equity and Liabilities		1,788,449,950	1,777,798,821
Net Asset Value Per Share (NAVPS)	31.00	11.83	11.87

The accompanying policies and explanatory notes 1-35 form an integral part of these Financial Statements.

Fazila J. Babel

Chairman

Ahmed Zaker

Managing Director

R. M. Moin

Director

[Signature]

Company Secretary

[Signature]

Chief Financial Officer

Signed as per annexed report on even date.

Place: Dhaka

Dated: October 28, 2022

DVC- 2211030458A5431290

Ahmed Zaker

AKM Mohitul Haq, FCA

Enrolment No. 0458

Senior Partner

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, 2022

Particulars	Notes	Amount in Taka	
		30.06.2022	30.06.2021
Turnover	22.00	645,628,451	1,207,557,628
Cost of Goods Sold	23.00	(576,330,877)	(1,025,355,988)
Gross Profit		69,297,574	182,201,641
Less: Operating Expenses		17,881,652	117,247,587
Administrative Expenses	24.00	12,257,094	109,569,047
Selling & Distribution Expenses	25.00	5,624,558	7,678,540
Profit from operation		51,415,922	64,954,053
Other Income	27.00	7,221,330	(56,849)
Non Operating Expenses			
Financial Expenses	26.00	48,199,664	44,418,048
Net Profit for the year before WPPF		10,437,588	20,479,156
Workers Profit Participation Fund	28.00	(497,028)	(975,198)
Net Profit before tax		9,940,560	19,503,958
Less: Provision for Tax:			
Current Tax	33.00	(2,869,085)	(3,420,391)
Deferred Tax	15.00	585,267	720,483
Net Profit for the year after Tax		7,656,743	16,804,050
Other Comprehensive Income			
Gain/(Loss) on Marketable Securities (Unrealized)		-	508,642
Less: Related Tax		-	(50,864)
Total Comprehensive Income		7,656,743	17,261,828
Earning Per Share (EPS)	29.00	0.08	0.18

The accompanying policies and explanatory notes 1-35 form an integral part of these Financial Statements.

Fazla J. Baki
Chairman

Ahmed Zaker
Managing Director

R. Hossain
Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Signed as per annexed report on even date.

Place: Dhaka
Dated: October 28, 2022

DVC- 2211030458AS431290

Ahmed Zaker
AKM Mohitul Haq, FCA
Enrolment No. 0458
Senior Partner
Ahmed Zaker & Co.
Chartered Accountants

National Feed Mill Limited
Statement of Changes in Equity
For the year ended June 30, 2022

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

For the year ended June 30, 2021

Particulars	Share Capital	Retained Earnings	Gain/Loss on Marketable Securities	General Reserve	Total
Balance as on 01 July, 2020	855,897,730	229,981,714	-	6,190,000	1,092,069,444
Net Profit for the year ended 30 June, 2021	-	16,804,050	508,642	-	17,312,692
Dividend (Bonus share & Cah Divedend)	68,471,820	(80,385,902)	-	-	(11,914,082)
Related Tax	-	-	(50,864)	-	(50,864)
Balance as on June 30, 2021	924,369,550	166,399,862	457,778	6,190,000	1,097,417,190

Fazle J. Baidul
Chairman

Ahmed Zaker
Managing Director

R. Amin
Director

[Signature]

Company Secretary

[Signature]

Chief Financial Officer

Signed as per annexed report on even date.

Place: Dhaka
Dated: October 28, 2022
DVC- 2211030458AS431290

Ahmed Zaker
AKM Mohitul Haq, FCA
Enrolment No. 0458
Senior Partner
Ahmed Zaker & Co.
Chartered Accountants

National Feed Mill Limited
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
1. Cash Flows from Operating Activities		
Cash Receipts from Customer	596,731,052	1,076,497,704
Interest Income	18,450	32,094
Cash Payment to Suppliers and employees	(539,131,866)	(985,634,276)
Cash paid for Expenses	(37,951,101)	(39,123,871)
Tax Paid	(11,508,876)	(3,688,572)
Net cash provided from Operating Activities (Note -32)	8,157,659	48,083,079
2. Cash Flows from Investing Activities		
Acquisition of property, plant & equipment	(4,525,813)	(12,642,093)
Share Investment encashment	9,911,058	-
Realized Gain/(loss) for Share	6,886,080	-
Dividend Received	316,800	-
Investment in Marketable Securities	-	(10,000,000)
Net Cash used in Investing Activities	12,588,125	(22,642,093)
3. Cash Flows from Financing Activities		
Long Term Loan Received/ Payment	21,215,523	334,176,798
Short Term Loan Received/Payment	-	(299,234,866)
Dividend Paid	-	(11,744,010)
Bank interest & charges Paid	(48,199,664)	(44,418,048)
Net cash used in financing activities	(26,984,141)	(21,220,126)
Net increase/decrease in cash and cash equivalents (1+2+3)	(6,238,357)	4,220,860
Cash and cash equivalents at the beginning of the year	9,886,292	5,665,432
Cash and cash equivalents at the end of the year	3,647,935	9,886,292
Net Operating Cash Flows per Share (NOCFPS)	0.09	0.52

Fazila J. Babul
Chairman

Atikur Rahman
Managing Director

R. M. Moin
Director


Company Secretary


Chief Financial Officer

Signed as per annexed report on even date.

Place: Dhaka
Dated: October 28, 2022

DVC- 2211030458AS431290

Ahmed Zaker
AKM Mohitul Haq, FCA
Enrolment No. 0458
Senior Partner
Ahmed Zaker & Co.
Chartered Accountants

National Feed Mill Limited

National Feed Mill Ltd.
Notes to the Financial Statements
For the year ended June 30, 2022

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 # 51, Road # 15, Sector # 03, 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, 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, 2022 with the comparative amounts as at June 30, 2021 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 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.

National Feed Mill Limited

In accordance with the allowed alternative treatment of IAS 23/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.

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%
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)

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. accordingly, 100% provision or write off is made over the amount outstanding which have been disclosed under Note -8.00

National Feed Mill Limited

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.

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.

The company has no contingent assets or liabilities which require disclosure under IAS: 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 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 International 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 are 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 principal amount is classified as current liabilities.

National Feed Mill Limited

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 meet:

- a) the 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 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 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. 0.08 & Tk. 0.18 for the financial year 21-22 & 20-21 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:

The current year's negative revenue growth of the company. After the years long COVID-19 pandemic, a new threat i.e. Russia – Ukraine war, which has disrupted global supply chain, created instability within the forex market, and caused an unprecedented power crisis in Bangladesh. Earnings per Share (EPS) has decreased significantly against the last Year, but fourth quarter EPS was positive in comparison to the last three quarters.

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. 0.09 and Tk. 0.52 for the financial year end 2021-2022 and 2020-2021 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 Lower than the payment to supplier, Taxes paid and loan installment were higher than previous year.

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.

National Feed Mill Limited

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, 2022 recommend 1 % Cash dividend (without sponsor) to the shareholders for the year ended 30th June 2022. 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.

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 – 9.01

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 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 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.

2.21 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 @ 10% on Gain share investment, 20% on Dividend income, 22.5% on Other Income and 0.6% on Turnover respectively according to Finance Act 2022 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 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

2.22 Reporting period

The financial statements of the company cover a period from 01 July 2021 to 30 June 2022 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.

2.23 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:

National Feed Mill Limited

- i) Statement of Financial Position as on June 30, 2022
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2022.
- iii) Statement of Changes in Equity for the year ended June 30, 2022
- iv) Statement of Cash Flows for the year ended June 30, 2022
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the June 30, 2022.

3. Statement of Compliance

3.1. Compliances with Local laws and Rules

- IAS-1 Presentation of Financial Statements
- IAS-2 Inventories
- IAS-7 Statement of Cash Flows
- IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS-10 Events after the Reporting Period
- IAS-12 Income Taxes
- IAS-16 Property, Plant & Equipment
- IAS-19 Employees Benefit
- IAS-23 Borrowing Cost
- IAS-24 Related Party Disclosures
- IAS-32 Financial Instruments Presentation
- IAS-33 Earnings Per Share (EPS)
- IAS-37 Provisions, Contingent Liabilities and Contingent Assets
- IAS-39 Financial Instruments: Recognition and Measurement
- IFRS- 7 Financial Instruments: Disclosures
- IFRS- 9 Financial Instruments
- IFRS 15 Revenue from contract with customers

3.2. Authorization date for issuing Financial Statements

The financial statements were authorized for issue by the Board of Directors on October 28, 2022.

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

		Amount in Taka	
		30.06.2022	30.06.2021
4.00	Property, Plant and Equipment		
	This represents the Written Down Value (WDV), break-up whereof is as under:		
	Cost		
	Opening Balance	569,003,739	564,800,121
	Add: Addition during the year	3,560,962	4,203,618
	Sub-Total	572,564,701	569,003,739
	Less: Accumulated Depreciation		
	Opening Balance	247,668,993	231,150,056
	Add: Charge during the year	15,245,678	16,518,937
	Sub-Total	262,914,671	247,668,993
	Written down value (30.06.2022)	309,650,030	321,334,746
	The Details of Property, Plant and Equipment are shown in the Annexure "A".		
5.00	Capital Work-in-Progress		
	Opening Balance	8,438,475	-
	Add: Addition during the year	964,851	8,438,475
		9,403,326	8,438,475
	The amount is for a new Godown under construction for Raw Materials and Finish Goods.		
6.00	Investment in Merkatable Securities (Fair Value)		
	Investment of Share /Security	-	10,215,000
		-	10,215,000
7.00	Inventory		
	The make-up of the sum is as under:		
	Finished Goods	9,293,168	13,219,562
	Raw Materials & Others Materials	545,901,258	545,679,021
	Spare Parts	30,635,067	25,928,311
		585,829,493	584,826,894
8.00	Accounts Receivable		
	Accounts Receivable	825,748,529	870,982,533
	Others Receivable	1,458,154	3,158,584
	Less: Write Off	-	95,627,134
		827,206,683	778,513,983
	Aging Schedule of Accounts Receivable	Amount in Taka	
		30.06.2022	30.06.2021
	0-90 days	314,632,958	408,413,899
	91-180 days	236,829,483	167,782,192
	180 and above	275,744,242	202,317,892
	Total	827,206,683	778,513,983
9.00	Advances, Deposits & Prepayments		
	The break up of the sum is as under:		
	Balance with related Companies (Note-9.01)	38,840,770	49,072,514
	Advances (Note-9.02)	12,832,132	14,471,336
	Deposits (Note-9.03)	1,039,581	1,039,581
		52,712,483	64,583,431

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
9.01	Balance with related Companies		
	This balance consists of as follows :		
	Karnopur Agro Industries Ltd.	3,032,641	5,120,299
	National Hatchery Ltd.	35,808,129	43,952,215
		38,840,770	49,072,514
	The details of the sum are stated in Annexure "B"		
9.02	Advances		
	This balance consists of as follows :		
	Advance to Staff against salary	155,990	28,962
	Advance Against Purchase	3,864,319	3,811,210
	Advance to others suppliers	1,266,462	3,361,010
	Advance Income Tax (AIT) (Note-9.02.01)	7,545,361	7,270,154
		12,832,132	14,471,336
9.02.1	Advance Income Tax (AIT)		
	Opening Balance	7,270,154	7,136,548
	Add: Paid during the year	275,207	133,606
		7,545,361	7,270,154
9.03	Deposits		
	This balance consists of as follows :		
	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.		
10.00	Cash & Cash Equivalent		
	This represents the aggregate sum available at the close of business on 30 June 2022, break-up whereof is as follows:		
	Cash in Hand (Note-10.01)	1,060,674	972,378
	Cash at Bank (Note-10.02)	2,587,261	8,913,914
		3,647,935	9,886,292
10.01	Cash in Hand		
	Head Office	223,132	107,804
	Factory	837,542	864,574
		1,060,674	972,378
10.02	Cash at Bank		
	A/C Type & Number		
	AB Bank Ltd-Gulshan Branch	CD - 53000	1,134
	Agrani Bank Ltd - Uttara Branch	CD - 5640	154,335
	Al Arafah Islami Bank Ltd- Banani Br.	CD - 5046	4,327
	Bangladesh Commerce Bank	CD - 911	-
	Bangladesh Krishi Bank, Uttara Br.	CD - 410	60,542
	Bank Asia, Shantinagar Branch	CD - 932	41,498
	Islami Bank Ltd - Uttara Branch	CD - 3698	344,657
	Islami Bank Ltd - Uttara Branch	CD - 73213	96,982
	Jamuna Bank Ltd-Dilkusha Branch	CD - 14450	3,581
	Jamuna Bank Ltd-SND, Dilkusha Branch	SND - 1578	160,356
			1,824
			380,328
			115,524
			430
			248,908
			62,716
			851,487
			2,155
			7,449
			3,228,822

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
Jamuna Bank Ltd-SND	SND - 1256	215,766	209,891
Janata Bank Ltd - Banani Branch	CD - 4595	78,070	384,808
Meghna Bank Ltd, Motijheel	CD - 123	-	-
National Bank Ltd - Dilkusha Branch	CD - 40786	194,528	1,069,189
One Bank Ltd - Jagannathpur Branch	CD - 667	2,835	3,870
One Bank Ltd - Principal Branch	CD - 7028	9,405	11,244
Prime Bank Ltd-Motijheel Branch	CD - 2631	-	445
Pubali Bank Ltd - Uttara Branch	CD - 2732	72,598	347,488
Shahjalal Islami Bank Ltd, Bananni Br.	STD - 583	2,885	4,133
Shahjalal Islami Bank Ltd, Uttara Br.	CD - 7492	482,290	854,152
Social Islami Bank Ltd. Mohammadpur Branch	CD - 710	1,263	-
Sonali Bank Ltd - Banani Branch	CD - 10345	656,768	121,747
Uttara Bank Ltd. - Uttara Branch	CD - 1418	3,441	1,007,304
Total Taka		2,587,261	8,913,914
11.00 Share Capital :			
11.01 Authorised Capital		2,000,000,000	2,000,000,000
200,000,000 Ordinary Shares of Tk. 10 each			
11.02 Issued, Subscribed & Paid up Capital		933,613,240	924,369,550
93,361,324 Ordinary Shares of Tk. 10 each			

The details are as under:

Name of the Directors & Share Holders	Position	% Shareholding	Number of Share	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	7.31%	6,824,713	68,247,130
7. Foreign	Shareholder	0.01%	9,336	93,360
8. General Public	Shareholder	62.28%	58,145,358	581,453,580
Total		100%	93,361,324	933,613,240

Holdings	Number of holders		% of total holding	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Less than 500 shares	2,612	1,686	0.42%	0.22%
500 to 5,000 shares	6,349	2,223	11.67%	3.74%
5,001 to 10,000 shares	1,172	273	8.60%	2.27%
10,001 to 20,000 shares	689	194	9.83%	3.19%
20,001 to 30,000 shares	236	83	6.01%	2.27%
30,001 to 40,000 shares	94	45	3.37%	1.75%
40,001 to 50,000 shares	77	45	3.70%	2.27%
50,001 to 100,000 shares	84	81	5.92%	6.52%
100,001 to 1,000,000 shares	77	89	16.94%	23.74%
Over 1,000,000 shares	6	15	33.52%	54.02%
Total	11,396	4,734	100%	100%

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
12.00	Retained Earnings		
	Opening Balance	166,399,862	229,981,714
	Add: Net Profit for the year	7,656,743	16,804,050
	Less: Dividend (Bonus share & cash)	(9,243,690)	(80,385,902)
	Closing Balance	164,812,915	166,399,862
13.00	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.		
14.00	Long Term Loan		
	The movement of the sum is as under:		
	Opening Balance	538,007,263	203,830,463
	Add: Short Term Loan Convert Long Term	231,250,000	299,234,865
	Add: Interest & Charge during the year	48,469,573	44,298,520
	Less: Repayment and adjustment during the year	(258,504,050)	(9,356,585)
	Less: Transfer to Current Liabilities	(174,095,900)	(215,596,600)
	Closing Balance	385,126,886	322,410,663
	This represents the sum payable to Commercial Banks and Lease Financing Company, the make-up of the		
	01. Bank Asia, Term Loan # 1043 - Note: 14.01	-	22,545,881
	02. Bank Asia, Term Loan # 1044 - Note: 14.02	-	14,832,747
	03. Bank Asia, Term Loan # 1045 - Note: 14.03	-	53,801,011
	04. Bank Asia, Term Loan # 1046 - Note: 14.04	-	20,210,387
	05. Bank Asia, Term Loan # 1149 - Note: 14.05	213,307,813	-
	06. Meghna Bank, Term Loan # 51 - Note: 14.06	97,725,587	114,586,061
	07. Social Islami Bank, Term Loan # 201&212 - Note: 14.07	74,093,486	96,434,576
	08. Meghna Bank, Term Loan # 13 - Note: 14.08	-	-
	Total Taka	385,126,886	322,410,663
14.01	Bank Asia, Term Loan # 1043		
	Opening Balance	44,145,881	41,033,099
	Add: Interest & Charge during the year	4,753,451	3,974,282
	Less: Repayment during the year	(1,958,000)	(861,500)
	Less: Transfer to Term Loan -1149	(46,941,332)	(21,600,000)
	Closing Balance	-	22,545,881
14.02	Bank Asia, Term Loan # 1044		
	Opening Balance	25,632,747	23,816,323
	Add: Interest & Charge during the year	2,772,406	2,316,924
	Less: Repayment during the year	(550,000)	(500,500)
	Less: Transfer to Term Loan -1149	(27,855,153)	(10,800,000)
	Closing Balance	-	14,832,747
14.03	Bank Asia, Term Loan # 1045		
	Opening Balance	107,801,011	99,756,040
	Add: Interest & Charge during the year	11,415,543	9,744,971
	Less: Repayment during the year	(7,638,900)	(1,700,000)
	Less: Transfer to Term Loan -1149	(111,577,654)	(54,000,000)
	Closing Balance	-	53,801,011

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
14.04	Bank Asia, Term Loan # 1046		
	Opening Balance	41,810,387	38,914,323
	Add: Interest & Charge during the year	4,524,124	3,774,064
	Less: Repayment during the year	(1,500,000)	(878,000)
	Less: Transfer to Term Loan -1149	(44,834,511)	(21,600,000)
	Closing Balance	-	20,210,387
14.05	Bank Asia, Term Loan # 1149		
	Opening Balance	-	-
	Add: Long Term Loan # 43,44,45 & 46	231,250,000	-
	Add: Interest & Charge during the year	57,813	-
	Less: Repayment during the year	-	-
	Less: Transfer to current liabilities (Note-20)	(18,000,000)	-
	Closing Balance	213,307,813	-
14.06	Meghna Bank Term Loan # 51		
	Opening Balance	158,295,061	-
	Add: Short Term Loan Convert Long Term	-	147,443,433
	Add: Interest & Charge during the year	14,339,526	13,942,628
	Less: Repayment during the Year	(14,148,500)	(3,091,000)
	Less: Transfer to current liabilities (Note-20)	(60,760,500)	(43,709,000)
	Closing Balance	97,725,587	114,586,061
14.07	Social Islami Bank Ltd Term Loan # 201 & 212		
	Opening Balance	160,322,176	-
	Add: Short Term Loan Convert Long Term	-	151,791,432
	Add: Interest & Charge during the year	10,606,710	10,538,744
	Less: Repayment during the Year	(1,500,000)	(2,008,000)
	Less: Transfer to current liabilities (Note-20)	(95,335,400)	(63,887,600)
	Closing Balance	74,093,486	96,434,576
14.08	Meghna Bank Term Loan # 13		
	Opening Balance	-	310,678
	Add: Interest & Charge during the year	-	6,907
	Less: Repayment during the year	-	(317,585)
	Closing Balance	-	-
15.00	Deferred Tax		
	Opening Balance	18,575,694	19,245,313
	Add: Addition during the year (Note- 15.01)	(585,267)	(711,589)
	Less: Deferred Tax on Realized Marketable Securities	-	(8,894)
	Add: Deferred Tax on Marketable Securities (Unrealized)	(50,864)	50,864
		17,939,563	18,575,694
15.01	This is made as follow:		
	Property, Plant & Equipment (Except Land) as Accounting base	174,196,730	185,881,446
	Property, Plant & Equipment (Except Land) as Tax base	54,260,551	62,323,284
	Temporary Difference	119,936,179	123,558,161
	Current Tax Rate	15%	15%
	Deferred Tax Liability	17,990,427	18,533,724

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
16.00	Accounts Payable		
	This represents the dues payable against cost of raw materials and other goods procured, the break-up whereof is as under:		
	Creditors for Goods Supply	42,462,847	48,757,328
	Puma Engineering	15,000	215,000
	Power Pack Engineering	-	18,000
	Lee Engineering	62,090	-
		42,539,937	48,990,328
Aging Schedule of Accounts Payable		Amount in Taka	
		30.06.2022	30.06.2021
	0-90 days	35,951,805	38,780,065
	91-180 days	4,236,369	6,773,006
	180 and above	2,351,763	3,437,257
	Total	42,539,937	48,990,328
17.00	Liabilities for Expenses & Other Finance		
	Liabilities for Expenses (Note - 17.01)	6,099,267	8,837,109
	Liabilities for Others Finance (Note - 17.02)	22,551	93,990
		6,121,818	8,931,099
17.01	Liabilities for Expenses		
	Salaries & Wages	1,072,917	1,003,155
	Electricity Bill	410,807	709,146
	Gas Bill	196,265	262,734
	Audit Fee	195,500	184,000
	Provision for Telephone Bill	-	1,038
	Application Money Refundable	-	3,065,000
	Expenses payable	4,223,778	3,612,036
		6,099,267	8,837,109
17.02	Liabilities for Others Finance:		
	This represents the sum deducted of the time of making payments, the break-up whereof is as under:		
	VAT-Supplier	10,780	86,295
	VAT- Office Rent	11,771	7,695
		22,551	93,990
18.00	Dividend Payable		
	Opening Balance	170,072	-
	Add: Cash Dividend 2% #2019 -2020	-	11,914,082
	Less: Paid During the Year	-	(11,744,010)
		170,072	170,072
19.00	Workers Profit Participation Fund		
	This represents the sum of fund equivalent to 5% of profit , the movement whereof is as under:		
	Opening Balance	24,140,235	23,165,037
	Add: Addition during the year (Note - 29)	497,028	975,198
	Less: Payment During the year	-	-
		24,637,263	24,140,235

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
20.00	Long Term Loan (Current portion)		
	This represents the sum of dues payable within next 12 (twelve) months, the make-up whereof is as under:		
	Bank Asia, Term Loan # 1043	-	21,600,000
	Bank Asia, Term Loan # 1044	-	10,800,000
	Bank Asia, Term Loan # 1045	-	54,000,000
	Bank Asia, Term Loan # 1046	-	21,600,000
	Bank Asia, Term Loan # 1149	18,000,000	-
	Meghna Bank Term Loan # 51	60,760,500	43,709,000
	Social Islami Bank Ltd Term Loan # 201 & 212	95,335,400	63,887,600
		174,095,900	215,596,600
21.00	Provision for Income Tax		
	This represents the provision for current Tax, the make-up whereof is as under:		
	Opening Balance	41,566,940	41,701,515
	Add: Addition during the Year (Note- 33)	2,869,085	3,420,391
		44,436,026	45,121,906
	Less: Paid during the Year	11,233,669	3,554,966
		33,202,357	41,566,940
22.00	Turnover		
	The make-up of the sum is as follows:		
	Broiler Feed	281,751,367	565,426,814
	Layer Feed	221,571,066	419,368,889
	Fish Feed	49,728,627	98,714,952
	Cattle Feed	31,562,745	35,049,497
	Feed Processing	25,760,237	13,226,914
	Floating Feed	35,254,409	75,770,562
		645,628,451	1,207,557,628
23.00	Cost of Goods Sold		
	The break-up of the sum is as follows:		
	Material Consumed 23.01	521,181,082	971,203,697
	Manufacturing Overhead 23.02	51,223,401	54,988,411
	Manufacturing costs for the year	572,404,483	1,026,192,108
	Cost of Goods Manufactured	572,404,483	1,026,192,108
	Add: Opening Stock of Finished Goods	13,219,562	12,383,442
	Less: Closing Stock of Finished Goods	9,293,168	13,219,562
	Cost of Goods Sold	576,330,877	1,025,355,988
23.01	Material Consumed :		
	Opening Stock of Raw Materials & Others Materials	545,679,021	536,483,864
	Add : Purchase during the year	521,403,319	980,398,854
	Less : Closing Stock of Raw Materials & Others Materials	545,901,258	545,679,021
	Material Consumed	521,181,082	971,203,697
23.02	Manufacturing Overhead :		
	Direct Labour (Note-23.02.01)	9,135,685	10,222,294
	Factory Overhead (Note-23.02.02)	42,087,716	44,766,117
		51,223,401	54,988,411
23.02.01	Direct Labour		
	Wages and Bonus	9,135,685	10,222,294
		9,135,685	10,222,294

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
23.02.02	Factory Overhead		
	Salaries & Festival Bonus	7,415,362	7,283,112
	Managing Director's Remuneration	1,620,000	2,600,000
	Production , Loading & unloading	6,537,769	9,477,050
	Tiffin Bill	163,008	141,652
	Food Allowance	296,557	249,790
	Medical Expenses	118,149	89,707
	Office Expenses & Local conveyance	209,660	198,290
	Electricity Bill - Factory	6,876,325	6,068,367
	Gas Bill - Factory	1,296,048	1,292,489
	Fuel for Pick Up	266,441	165,193
	Fuel for Stand By Generator	1,171,978	946,380
	Mobile Phone Bill - Factory	130,150	106,200
	Repair & Maintenance - Plant & Machinery	579,553	363,703
	Consumable Stores Consumption (Spare Parts)	1,790,728	1,738,523
	Repair & Maintenance - Building	258,664	346,542
	Lab Chemicals	133,065	71,400
	Insurance	528,770	-
	Repair & Maintenance - Vehicles Factory	28,700	102,350
	Repair & Maintenance - Others	159,002	143,481
	Miscellaneous Expenses	234,745	107,390
	Uniform & Liveries	76,500	59,348
	Depreciation	12,196,542	13,215,150
		42,087,716	44,766,117
24.00	Administrative & General Expenses		
	The make-up of the sum is as follows:		
	Directors' Remuneration	-	1,300,000
	Salaries & Festival Bonus	4,018,986	3,878,337
	Rent(Including VAT)	854,743	786,960
	Electricity bill	159,338	151,392
	Telephone & Fax Bill	4,527	4,413
	Mobile Phone Bill	166,300	163,200
	Internet Bill	282,000	282,000
	Photocopy & Stationery	117,555	134,730
	Office Expenses	103,718	114,475
	Newspaper & periodicals	17,110	12,225
	Local Conveyance	255,889	248,389
	Fuel & Lubricants	204,676	209,070
	Repair & Maintenance - Motor Vehicles H.O	127,340	117,900
	Repair & Maintenance - Factory & H.O	31,197	47,650
	Renewal & Registration	324,827	365,502
	Miscellaneous Expenses	347,772	236,809
	Food Allowance	203,194	240,708
	Legal & Professional Fees	165,650	100,000
	Bord Meeting Fees	68,550	121,000
	AGM Expenses	528,716	387,699
	Audit Fees	195,500	184,000
	Write off Receivable	-	95,627,134
	Listing Fees DSE,CSE & CDBL	1,030,370	1,551,667
	Depreciation	3,049,136	3,303,787
		12,257,094	109,569,047

National Feed Mill Limited

		Amount in Taka	
		30.06.2022	30.06.2021
25.00	Selling & Distribution Expenses		
	Salaries, Allowances & Festival Bonus	2,924,040	4,389,625
	Business Promotion Expenses	839,000	1,317,300
	Traveling & Conveyance - MKT	1,337,961	1,719,715
	Sample Distribution	447,681	-
	Traveling & Conveyance -Foreign	-	200,000
	Advertisement Expenses	75,876	51,900
		5,624,558	7,678,540
26.00	Financial Charge		
	Bank Charges & Commission	423,866	267,769
	Interest on Term Loan	47,775,798	44,150,279
		48,199,664	44,418,048
27.00	Other Income		
	The make-up of the sum is as follows:		
	Realized Gain/(loss) for Share	6,886,080	(88,943)
	Dividend Income	316,800	-
	Interest Income (STD)	18,450	32,094
		7,221,330	(56,849)
28.00	Contribution to Workers Profit Participation Fund		
	This represents 5% on net profit after charging such contribution but before tax contribution by the company		
	Workers Profit Participation Fund	497,028	975,198
		497,028	975,198
29.00	Earnings Per Share (EPS)		
	Net profit after tax	7,656,743	16,804,050
	Weighted Average No. Of Share	93,361,324	93,361,324
	Earning Pert Share (EPS)	0.08	0.18
30.00	Production Capacity and Current Utilization:		
	Particulars		
	Installed Capacity (in MT)	86,400.00	86,400.00
	Actual Production (in MT)	27,600.07	37,147.40
		31.94%	42.99%
31.00	Net Assets Value (NAV)		
	Share Capital	933,613,240	924,369,550
	Retained Earnings	164,812,915	166,399,862
	Gain/Loss on Marketable Securities (Unrealized)	-	457,778
	General Reserve	6,190,000	6,190,000
		1,104,616,155	1,097,417,190
	Weighted Average No. Of Share (31.01)	93,361,324	92,436,955
	Net Assets Value with Per Share (NAVPS)	11.83	11.87
31.01	Weighted Average Number Of Share Outstanding		
	Opening Outstanding Share	92,436,955	85,589,773
	Stock Dividend	924,370	6,847,182
		93,361,324	92,436,955

National Feed Mill Limited

Amount in Taka	
30.06.2022	30.06.2021

- 34.00 Employee Position for National Feed Mill Limited (as at June 30, 2022)**
Disclosure as per requirement of Schedule XI, part II of Company Act 1994

Salary Range	Officer & Staff		Worker	Total No. of Employee
	Factory	Head Office		
Below <3000	Nil	Nil	Nil	Nil
Above> 3000	35	24	78	137
Total	35	24	78	137

- 35.00 Disclosure of Managerial Remuneration :**

- 35.01** The total amount of remuneration paid to the Director of the company during the year is as follows :

Name	Designation	Nature of Transaction	30.06.2022	30.06.2021
1 Mrs. Farida Jahan Babul	Chairman	Board Meeting Fee	12,000	20,000
2. Mr. Akhter Hossain Babul	Managing Director		12,000	20,000
3. Mr. Adib Hossain Babul	Director		9,000	10,000
4. Mr. Rezaul Karim	Director		9,000	20,000
5. Mrs. Lipi Sultana Karim	Director		8,550	20,000
6. Mr. Mahbub Hasan	Independent Director		9,000	15,000
7. Ziahur Rahman Mazumdar	Independent Director		9,000	16,000
Total			68,550	121,000

- 35.02** The total amount of remuneration paid to salaried person of the company during the year is as follows :

Name	Designation	30.06.2022	30.06.2021
1 Mrs. Farida Jahan Babul	Chairman	-	1,300,000
2. Mr. Akhter Hossain Babul	Managing Director	1,620,000	2,600,000
Total		1,620,000	3,900,000

- 35.03 Disclosure of Top Six salaried Officers of the Company**

The total amount of remuneration paid to the top Five salaried Officers of the Company during the financial

Name of the Party	Nature of Transaction	30.06.2022	30.06.2021
Md.Khalequzzaman	Salaries & Festival Bonus	676,000	700,839
Md. Anower Hossain		881,500	714,700
Md. Arifur Rahman		390,000	381,000
Mirza Nurul Amin		585,000	571,500
Md. Firoj Alam		704,595	275,470
Total		3,237,095	2,643,509

National Feed Mill Ltd
Annexure of Property, Plant and Equipment
As at June 30, 2022

Annexure "A"

Sl. No.	Particulars	Cost		Rate of Dep.	Depreciation		W. Down Value 30.06.2022
		Balance as on 01.07.2021	Addition during the year		Balance as on 30.06.2022	Charge for the year	
1	Freehold Land & Cost of Development	135,453,300		0%			135,453,300
2	Building & Other Construction	161,012,823	1,057,470	5%	5,015,048	66,285,387	95,784,906
3	Plant & Machinery	182,557,044	2,059,169	10%	6,419,547	126,329,588	58,286,625
4	Stand-By Diesel Generator	19,230,324		15%	1,105,435	12,966,191	6,264,133
5	Transport & Vehicles	28,042,620		15%	933,160	22,754,713	5,287,907
6	Electrical & Other Installation	8,809,945		15%	223,489	7,543,506	1,266,439
7	Furniture & Fixture	2,728,450	7,323	10%	121,893	1,635,699	1,100,074
8	Office Equipment	3,988,412	121,000	15%	187,210	2,982,698	1,126,714
9	Tools & Equipment	27,085,321	316,000	20%	1,237,139	22,346,190	5,055,131
10	Telephone & Others	95,500		10%	2,756	70,699	24,801
	Total Taka 30.06.2022	569,003,739	3,560,962		15,245,678	247,668,993	309,650,030

As at June 30, 2021

Annexure "A"

Sl. No.	Particulars	Cost		Rate of Depr.	Depreciation		W. Down Value 30.06.2021
		Balance as on 01.07.2020	Addition during the year		Balance as on 30.06.2021	Charge for the year	
1	Freehold Land & Cost of Development	135,453,300		0%			135,453,300
2	Building & Other Construction	158,769,770	2,243,053	5%	5,204,348	61,270,338	99,742,485
3	Plant & Machinery	181,669,394	887,650	10%	6,895,441	119,910,041	62,647,003
4	Stand-By Diesel Generator	19,230,324		15%	1,300,512	11,860,756	7,369,568
5	Transport & Vehicles	28,042,620		15%	1,097,835	21,821,553	6,221,067
6	Electrical & Other Installation	8,809,945		15%	262,928	7,320,017	1,489,928
7	Furniture & Fixture	2,677,835	50,615	10%	131,111	1,513,806	1,214,644
8	Office Equipment	3,837,312	151,100	15%	199,412	2,795,488	1,192,924
9	Tools & Equipment	26,214,121	871,200	20%	1,424,286	21,109,051	5,976,270
10	Telephone & Others	95,500		10%	3,062	67,943	27,557
	Total Taka 30.06.2020	564,800,121	4,203,618		16,518,937	247,668,993	321,334,746

Particulars		Amount in Taka	
		30.06.2022	30.06.2021
	Cost of Goods Sold 80% (Note-23.02.02)	12,196,542	13,215,150
	Administrative Overhead 20% (Note-24)	3,049,136	3,303,787
	Total Taka	15,245,678	16,518,937

Note: 07.01**Related party transactions**

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.

Annexure "B"**Amount in Taka**

Sl.	Name of Party	Nature of relationship	Nature of transaction	Opening Balance	Addition	Adjustment	Closing Balance
1	Karnopur Agro Industries Ltd.	Common directorship	Advance against Raw Materials purchase & Feed making	5,120,299	2,560,489	4,648,147	3,032,641
2	National Hatchery Ltd.	Common directorship	Advance against Raw Materials & Feed sale	43,952,215	4,821,000	12,965,086	35,808,129
Total Taka :				49,072,514	7,381,489	17,613,233	38,840,770



NATIONAL FEED MILL LIMITED

Corporate Office

ABC North Ridge, Apartment # A/5, (5th Floor),
House # 51, Road # 15, (Rabindra Soroni), Sector # 03,
Uttara Model Town, Dhaka - 1230, Bangladesh.
Telephone: +88 02 48950746, Fax: +88 02 58955257
E-mail: general@nationalgroup-bd.com
Web: nationalgroup-bd.com

Registered & Factory Address:

Baniarchala, Memberbari, Bhabanipur,
Gazipur, Bangladesh.