

ANNUAL REPORT 2014



NATIONAL FEED MILL LIMITED



ANNUAL REPORT

2014

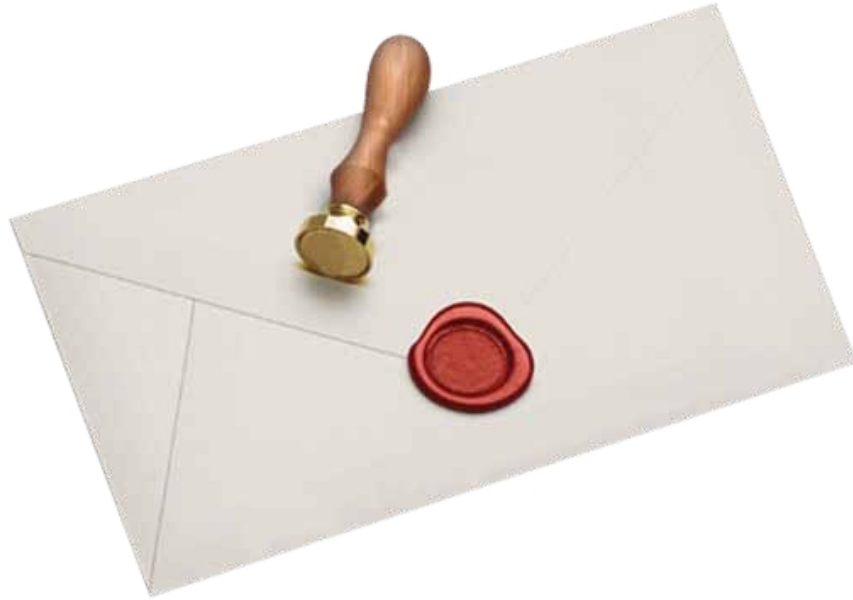


NATIONAL FEED MILL LIMITED

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Transmittal Letter



To
All Share Holders,
Bangladesh Securities and Exchanges Commission,
Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited.

Subject: Annual Report for the year ended 31st December, 2014.

Dear Sir/Madam,

We are pleased to enclose a copy of the Annual Report containing Directors Report, Auditor's Report along with Audited Financial Statement including Statement of Financial Position as on 31st December, 2014, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 31st December, 2014 along with notes thereon for your kind information and records.

Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Md. Arifur Rahman', is positioned above the printed name.

Md. Arifur Rahman
Company Secretary

NATIONAL FEED MILL LIMITED

Event Highlights





NOTICE OF THE 15th ANNUAL GENERAL MEETING

Notice is hereby given that the 15th (Fifteenth) Annual General Meeting (AGM) of National Feed Mill Limited will be held on 4th June, 2015 Thursday, at 11:00 a.m. at Polwell Convention Center, Plot # 9B, Sector # 08, Abdullahpur, Uttara, Dhaka-1230, to transact the following business:

AGENDA:

1. To receive, consider and adopt the Director's Report, the Audited Accounts for the year ended 31st December, 2014 and the Auditor's Report thereon;
2. To Approval Dividend for the year ended 31st December, 2014 as recommended by the Board of Director's.
3. To elect/re-elect Director's as per terms of the relevant provision of the articles of Association of the company.
4. To Appoint the Auditor for the year ended 31st December, 2015 and fix their remuneration.
5. To consider and progress of IPO Fund Utilization.
6. To confirm and appointment of Independent Directors.

By Order of the Board

(Md. Arifur Rahman)
Company Secretary

Notes:

- ▶ Record Date is May 12, 2015 (Tuesday) Shareholder's Name appearing in the Register of Member of the Company as at the close of Business on the Record Date will eligible to attend the AGM and will qualify for the Stock Dividend.
- ▶ A Member entitled to attend and Vote at the Annual General Meeting (AGM) can appoint a PROXY to attend and on a poll to vote on his/her behalf. From the PROXY duly stamped Tk 20/- must be deposited at the Company's Registered Office not later than 48 (Forty Eight) Hours before the time fixed for the Meeting and in default, Form of PROXY will not be treated as valid.
- ▶ Members are requested to notify change of address, if any, well ahead, For BO Accounts Holder, the same to be rectified through their respective Depository Participants.
- ▶ Admission to the Venue of the AGM will be allowed on production of the Attendance Slip sent with the Annual Report.
- ▶ Shareholders are requested to register their names in the Counter at the AGM Venue from 10:00 a.m. at 10:30 a.m.
- ▶ Annual Report, Attendance Slip and Proxy Form along with the notice are being sent to all Members by Courier Service/Post, The Member may also collect the "Proxy Form" from the Share Department of the Company

বিঃদ্রঃ সম্মানিত শেয়ার হোল্ডারবৃন্দের অবগতির জন্য জানানো যাচ্ছে যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর সার্কুলার নং এসইসি/সিএমআরআরসিডি/ ২০০৯-১৯৩/১৫৪ তারিখ- অক্টোবর ২৪, ২০১৩ অনুযায়ী আসন্ন ১৫তম বার্ষিক সাধারণ সভায় (এজিএম) কোন প্রকার উপহার বা আপ্যায়নের ব্যবস্থা নেই।

NATIONAL FEED MILL LIMITED

Corporate Directory

Board of Directors

Farida Jahan Babul	Chairman
Akther Hossain Babul	Managing Director & Director
Adib Hossain Babul	Director
Imtiaz Ali	Director
Rezaul Karim	Director
Lipi Sultana Karim	Director
SM Nurul Alam Chowdhury	Independent Director
A Mannan Mir	Independent Director

Audit Committee

SM Nurul Alam Chowdhury [Independent Director]	: Chairman
Rezaul Karim [Director]	: Member
Lipi Sultana Karim [Director]	: Member
Md. Arifur Rahman [Company Secretary]	: Member Secretary

Company Secretary

Md. Arifur Rahman

Chief Financial Officer

Md. Firoj Alam

Head of Internal Audit

Md. Rayhan Uddin Tapan

Auditor

Ahmed Zaker & Co.
Chartered Accountants.

Banker

- ♦ Bank Asia
- ♦ Social Islami Bank
- ♦ Meghna Bank

Insurer

Express Insurance Ltd.

Registered & Corporate Office

House # 20/B, Road # 14, Sector # 04, Uttara, Dhaka-1230, Bangladesh.
Phone:+88-02-8950643; +88-02-8950376; +88-02-8960746; Fax:+88-02-8950425,
E-mail: general@nationalgroup-bd.com, Website: www.nationalgroup-bd.com

Factory

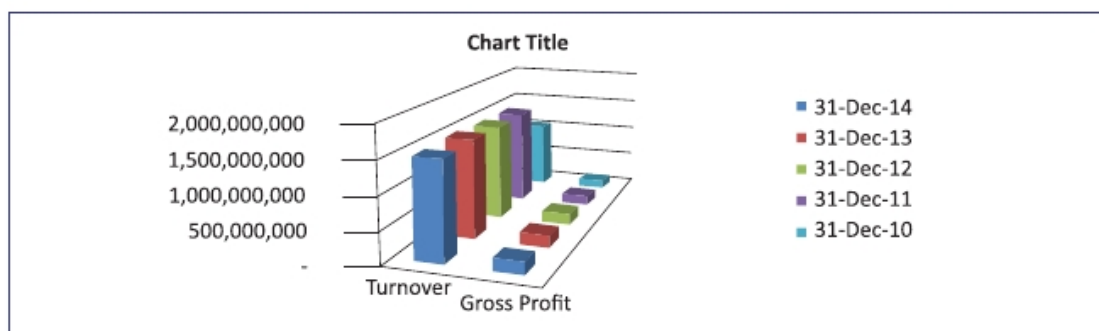
Baniarchala, Memberbari, Bhabanipur,
Gazipur, Bangladesh.



Five Years' Financial Summary

Amount in Taka

Operational Result	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
Turnover	1,511,598,211	1,530,273,880	1,490,021,503	1,475,329,946	1,029,978,696
Gross Profit	193,134,713	189,486,326	181,671,262	143,575,192	114,747,908
Profit from Operation	153,872,379	151,088,828	151,437,550	116,137,113	94,448,318
Net Profit before tax	74,955,751	77,822,928	76,727,156	64,301,939	48,362,313
Net Profit after Tax	73,861,802	74,045,726	71,770,215	61,087,029	45,944,198
Net Cash Flow From Operation	31,088,615	1,026,203	(102,716,885)	(99,626,999)	38,198,493
Financial Position	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
Non-Current Assets	312,425,994	328,881,707	332,875,625	320,047,542	273,482,352
Current Assets	1,080,280,874	814,681,000	750,171,708	573,060,188	544,062,677
Shareholder's Equity	835,880,149	582,018,347	533,372,621	379,126,230	188,784,201
Long Term Liability	23,270,463	46,284,463	113,232,785	133,969,198	119,813,881
Key Financial Ratio	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	31-Dec-10
Current Ratio	2.04	1.58	1.72	1.49	1.06
Quick Ratio	1.13	0.70	0.63	0.68	0.45
Debt to Equity Ratio	0.07	0.14	0.21	0.35	0.73
Net Income Ratio (%)	4.89	4.84	4.82	4.14	4.46
Return on Equity (%)	10.42	13.28	15.73	21.51	37.47
Earnings Per Share	1.77	1.86	2.39	6.94	45.49



NATIONAL FEED MILL LIMITED

NFML at a Glance

National Feed Mill Limited (NFML) incorporated in Bangladesh on December 22, 1999 under the Companies Act, 1994 as a Private limited company. Later on, has converted into a Public Limited Company on June 22, 2011. National Feed Mill Limited is one of the leading feed producing and manufacturing company in Bangladesh engaged in manufacturing of all kinds feed for poultry, shrimp, fishery & cattle. The authorized capital of the company is Tk. 2,000.00 million and present paid up capital is Tk. 580.00 million. The registered and corporate office of the company is at House -20/B, Road -14, Sector-04, Uttara, Dhaka.

After incorporation of the company have to arrange for necessary financing, procurement of land, arrange utility facilities and procurement of Machinery. To complete these above mentioned pre-operational works took more than two years and the company started commercial operation on October 27, 2003. NFML initially started its commercial operation with the brand new machinery imported 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, which was imported from China. 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'.

Important dates of Corporate Information:

Date of Incorporation as a Private Limited Company	: December 22, 1999
Commencement of Commercial Operation	: October 27, 2003
Conversion date into a Public Limited Company	: June 22, 2011
Date of change of denomination of face value from Tk. 100.00 to Tk.10.00	: June 22, 2011
Listing with Dhaka Stock Exchange	: January 06, 2015
Listing with Chittagong Stock Exchange	: December 15, 2014
1st Trading Date	: January 19, 2015
Authorized Capital	: 2000.00 million
Issued & Paid up Capital	: 580.00 million

Products of NFML:

The Company produced or manufacturing quality feeds such as:

Sl. No.	Products Name	Particulars
1.	Broiler Feed	Broiler 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.

*For Floating Feed production NFML gives raw materials to Karnopur Agro Industries Limited and in place of receiving finished products the company pay Tk. 8.00 for per Kg production.



- ♦ Strive for attaining a leadership position in the Feed sector.
- ♦ Our foremost aim is to think big, be the trend setter and modernizer.
- ♦ Provide products and services of high and consistent quality, ensuring value for money to our customer
- ♦ Attain a high level of productivity in all our operations through effective utilization of time and adoption of appropriate technology.



- ♦ To serve as a catalyst in the Bangladesh's livestock industry and make the sector competitive globally, through creating more value of our product as well as in the economy.
- ♦ To use the best prevalent tools to win and maintain the satisfaction trust and loyalty of our valued customers.
- ♦ Quality, Devotion and innovation are the core elements of our philosophy.
- ♦ Continues effort to maintain the commitment is technique to accomplish this MISSION



- ♦ Creating strong business relationship with valued customers.
- ♦ To achieve high efficiency measures in production units.
- ♦ Enhance the positioning in the market and establish a stronger brand.
- ♦ To reward Shareholders by increasing the value of their investments and maximization of wealth.

NATIONAL FEED MILL LIMITED

Factory Highlights



The Board of Directors



Mrs. Farida Jahan Babul, Chairman

One of the leading women entrepreneurs of the country. Mrs. Farida Jahan Babul is the chairman of National Feed Mill Limited. She is actively involved in this business more than 14 years. With dignity & strong personality, she is taking care of National Feed Mill Limited as a Chairman since 2002. She is doing her job effectively which makes massive changes in National Feed Mill Ltd. She travelled to developed countries like UK, USA, France, Germany, Belgium, Canada, Denmark, Italy, Netherland, Turkey, India, Thailand, Malaysia, China, Dubai and Singapore.



Mr. Akhter Hossain Babul, Managing Director

Mr Akhter Hossain Babul is one of the successful and visionary entrepreneurs in Bangladesh particularly in poultry and poultry feed sector. After returning home from USA in nineties he foresaw the prospects of investment in this sector. He is one of the pioneers of poultry sectors who have contribution in building the poultry sector as formal sector. Mr. Babul firstly diversified and expanded from Hatching of Chicks, Production of Birding Eggs from parent stock, Poultry Feed Mills, Floating Fish Feed mill. Subsequently he further diversified his business and entered into manufacturing of Electrode and CFL energy bulb and Electrodes by establishing National Electrodes & Electronics Limited.

Mr Babul returned to Bangladesh in early Nineties a from USA in the late nineties after stayed there more than a decade where he engaged himself in different businesses in Florida after completion of education. He took decision of returning to country to serve the motherland by taking investment decision in agro based industry in Bangladesh, accordingly all of his hard earned foreign currencies brought from USA and invested here as equity for his industry. His success history made him courageous to expand business one after another. He is well blended man of strong Personality, religious and leadership. This combination made him a successful Entrepreneur in Bangladesh.

Having traveled to number countries in the European Union, the Americas and Asia viz. U.K, USA, Germany, France, Belgium, Canada, Denmark, Italy, Netherland, Thailand, India, Malaysia, Singapore, Dubai, China etc. Mr. Akhter Hossain Babul has become a well composed entrepreneur in regard to business promotion, technology transfer, adaptation with new technology etc to raise his National Group to a desired height.

He has extensively traveled around the world for business promotion and development. He is well exposed to the western world through his extensive visits to countries like U.K, USA, Germany, France, Belgium, Canada, Denmark, Italy, Netherland, Thailand, India, Malaysia, Singapore, Dubai, China etc.

NATIONAL FEED MILL LIMITED



Mr. Adib Hossain Babul, Director

Mr. Adib Hossain Babul is the Director of the Company. He is son of Mr. Akter Hossain Babul. He has obtained his Graduation Degree in Bachelor of Business Administration. As a young entrepreneur Mr. Adib has a vision to achieve success in the agro based industry in Bangladesh.



Mr. Imtiaz Ali, Director

Mr. Imtiaz Ali is the Director of National Feed Mill Limited. He comes from a respectable Muslim family. He has more than 10 years of experience in the business. He obtained his post graduation degree in Masters of Arts.



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 20 years of experiences in different business in home and abroad. Mr. Karim is obtained his graduation degree in commerce. He is extensively travelled many countries for the purpose of business.

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Mrs. Lipi Sultana Karim, Director

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



Mr. Nurul Alam Chowdhury, Independent Director

Mr. Nurul Alam Chowdhury, has been appointed as the independent director of the company. He has taken his MBA degree from IBA, Dhaka University at the year 1980 and Banking Diploma Part 1 & 2 from Institute of Bankers, Bangladesh at the year 1980 & 1982 respectively. After completion of his education he starts his career as a Banker. Mr. Nurul Alam chowdhury has around 31 years experience in the different banks with high level management capacity, namely National Bank Ltd., Prime Bank Ltd., Mercantile Bank Ltd. & Premier Bank Ltd. He has participated in various seminars, conferences home and abroad.



A Mannan Mir, Independent Director

Mr. A Mannan Mir, is another independent director of the company. He has taken his MSS degree in political science from University of Dhaka at the year 1977. He engaged in different business for the last 15 years. He has participated in various seminars, conferences home and abroad.

NATIONAL FEED MILL LIMITED

Chairman's Statement

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders of National Feed Mill Ltd,

Assalamu Alaikum,

On behalf of the Board of Directors, I welcome you all and take immense pleasure and delight in addressing the 15th Annual General Meeting of the company. I also want to thank you the honourable shareholders for joining us to make the event successful.

The economy of Bangladesh is rapidly growing since last few years. According to the Bangladesh Bureau of Statistics, per capita income of our country has touched to USD 1,190 in 2014. The economy has grown at the rate of 6-7% per annum over the past few years and Bangladesh is now been considered as emerging Asian Tiger Economy.

With pleasure I present the Report of the Board of Directors, the Audited Statements of Financial Position, Statement of Comprehensive Income and other Financial Statements of the company for the ended year 31st December, 2014. It gives me immense pleasure that we get the opportunity to meet with all of you, discuss on the performance of the concerned year of the company and sharing the views with each other. We are pleased to inform you that despite the increasingly challenging environment we have ended a successful year with strong results which you will observe in the annual financial statements for the year ended 2014. This could not be possible without your continuous suggestion, Prudent strategic decision of Board of Directors and successful execution for the same by the management team.

Our performance indicates that the Company is on the right track in the year backed by right strategies and having an able leadership to deliver consistent value for our shareholders. I am pleased to report that the company's Sales Turnover for the year 2014 is Tk. 1,511.59 million out of which after meeting up all costs including Corporate Income Tax The net profit for the year is Tk. 73.86 million which is 4.89% of total Sales Revenue. As a result, Earning per Share (EPS) has stood Tk. 1.77. In consideration of that, the Board of Directors is pleased to recommend Stock Dividend @ 10% for all Shareholders. Due to political unrest our business has hampered slightly in last six month of the year. We have overcome the situation very smoothly

Meanwhile, Bangladesh Securities and Exchange Commission (BSEC) has introduced mandatory Guidelines on Corporate Governance. The Board of Directors of the Company is committed to deliver good Governance and exercise best practices in all respects. Good governance is about managing the business effectively and responsibly and in a way which is honest, transparent, shows accountability and abiding by the laws of the land.

A very competent and experienced Management team is leading the company with their best efforts. The Head of Management team Mr. Akther Hossain Babul (Managing Director) is Managing the company with his wisdom and business ethics.

I on behalf of the Board would like to express my sincere thanks to the respected shareholders for the confidence respond on the Board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, and Central Depository Bangladesh Limited, Banks and Financial Institutions and other stakeholder for their support and patronage extended to the company from time to time.

I embrace your support and seek your co-operation by all means for a brighter future for all.

Thanking you

Regards

Farida J. Babul
(Farida Jahan Babul)
Chairman

Directors' Report

Dear Shareholders,
Assalamu Alaikum,

On behalf of the Board of Directors and on my own behalf I welcome you all to 15th Annual General Meeting. The Board of Directors is pleased to take the opportunity to present you the Audited Financial Statements of the Company for the ended year December 31, 2014, Auditors' report and the Directors' Report thereon along with Company's performance and other matters in terms of Companies ACT 1994, the guideline issued by Bangladesh Securities and Exchange Commission and Bangladesh Accounting Standards.

BACKGROUND

National Feed Mill Limited was incorporated with the Registrar of Joint Stock Companies and Firms (RJSCF) on December 22, 1999 and has been converted in to 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 capital 580.00 million.

REVENUE

The Company has been manufacturing and producing quality feeds for consumptions of commercial poultry hatcheries & farms, fish hatcheries & farms, commercial cattle farms and pet animals. At present it markets the products all over Bangladesh, the sale proceeds stood at 151.16 crores. During the last financial years the company went through the toughest time in recent era both domestically and internationally. The ongoing world recession still continuing and domestic political instability affected our regular business affairs. The efficient and prudent management process has enabled the company to avoid financial catastrophe and earn substantial profit in the year 2014.

The operating financial results of the Company for the year ended 2014 as compared to previous year are summarized hereunder:

Particular	2014	2013
Turnover	1,511,598,211	1,530,273,880
Gross Profit	193,134,713	189,486,326
Net Profit (BT)	74,955,751	77,822,928
Provision for Taxation	1,093,949	3,777,202
Net Profit (AT)	73,861,802	74,045,726
Gross Margin (Turnover)	12.78 %	12.38 %
Net Margin (BT)	4.96 %	5.09 %
Net Margin (AT)	4.89 %	4.84 %
Earnings Per Share (EPS) (Tk.)	1.77	1.86

Industry outlook and possible future developments in the industry

The role of Fisheries and Livestock sectors in the development of agro-based economy of Bangladesh is very important and promising. They contribute around 8% to national income, which also is 32% of the total agricultural income. About 80% of animal protein in our diet comes from fish and livestock. 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 a cheap source of good quality nutritious animal protein in terms of meat and eggs.

Approximately 20% of the protein consumed in Bangladesh originates from poultry. A gap still exists between the demand and supply of poultry meat and eggs. Among poultry species, the chicken population is dominant over others, at almost 90%, followed by ducks (8%) and a small number of quail and pigeons. Free range 'backyard' and scavenging poultry, that are traditionally reared by rural women and children, still play an important role in generating family income, in addition to improving the family's diet with eggs and meat.

NATIONAL FEED MILL LIMITED

Commercial poultry production in Bangladesh is conducted on an industrial scale and is growing tremendously in spite of recent difficulties but is expected to make a significant contribution to the economic development of the country. A national poultry policy has been approved by the government, which will improve the organization of production and marketing, allowing increased stability and security of output throughout the year.

The sector shows significant development over the last 20 (twenty) years. While there was no use of industrial feed in 1990, currently broiler industry use 100% industrial feed while layer and fish industry use 50% industrial feed and the market size is increasing every year. The government declared poultry and fish farming as a thrust sector and classified as agro based industry. Government also liberalized its policies by introducing easier loan procedure, lower interest rate, tax holiday etc. National nutrition surveys of Bangladesh indicated the average fish intake was 11.7-13.5 kg/capita/yr for rural and urban populations, with a national average of 12 kg/capita/yr. The availability of non-cereal protein food in Bangladesh has reportedly increased significantly and has had a sustained growth rate of over 8% (eight percent) per annum in the fishery and livestock sectors in recent years.

Now the company has been operated in the market for a long time with reputation and commitment. Having long experience in Fisheries and Livestock sectors we are confident and believed that we can hold our reputation as a quality supplier.

Segment-wise or Product-wise revenue

Particular	2014	2013
Broiler Feed	668,953,945	700,655,040
Layer Feed	601,600,096	598,768,136
Fish Feed	145,975,002	140,725,883
Cattle Feed	27,915,834	15,375,224
Floating Feed	67,153,334	74,749,597
Total Taka	1,511,598,211	1,530,273,880

Risk and concerns

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

Moreover, the performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Similarly, risks and concern of the industry depends on the upcoming Government policy as well. However, the increasing awareness as well as continuing branding campaigns for the product the total sale has been growing which is expected to increase further. The company took initiative to expand its production capacity with the latest technology to minimize the market and technological risk.

A discussion on cost of goods sold, gross margin and net profit margin

Particular	31-Dec-14		31-Dec-13	
	Total Tk	%	Total Tk	%
Cost of Goods Sold	1,318,463,498	87.22%	1,340,787,554	87.62%
Gross Profit	193,134,713	12.78%	189,486,326	12.38%
Net Profit for the year	73,861,802	4.89%	74,045,726	4.84%

Discussion on continuity of extra-ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Basis for Related Party Transaction

Related party transaction is shown in note no.7.01 in notes to the financial statements.

Significant variance of financial statements

There is no significant variance in the financial statements during the year ended on 31st December, 2014.

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Utilization of IPO fund as on 30.04.2015

Purpose of Issue	Amount	Investment so far made		Investment yet to be made	
	(in core)	(in core)		(in core)	
		Up to This Month	%	Amount	%
Repayment of Term Loan of Bank Asia Limited, Shantinagar Branch, Dhaka	7.126	7.126	100 %	-	0 %
Civil Construction for New Machinery Installation of 5MT/Hour Capacity	2.850	-	0 %	2.850	100 %
Automatic Poultry Feed Machinery	4.674	-	0 %	4.674	100 %
500 KVA Standby Diesel Generator	0.655	-	0 %	0.655	100 %
Working Capital	0.941	0.941	100 %	-	0 %
IPO Expenses	1.754	1.763	101 %	-	0 %
Total	18.000	9.830		8.179	

Note:

a) Major Reasons for excess IPO Expenses:

i) Banker's to the issue commission and Data processing fee was estimated 17 times whereas IPO amount actually collected 46.91 times. Thus an excess expenses will be incurred in this purpose and that will be adjusted from companies own source/ Interest income of IPO.

ii) Post Issue expenses was estimated 17 times i.e. 36,000x17 =612,000 application @ Tk. 10.00 per application but actual application was made 1,292,535 and actual rate was Tk. 11.50 Thus an excess post issue expenses of Tk. 8,185,998 was incurred.

Compliance of Notification No BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

1.1 Board Size:

The number of members of the Board of Directors stands at 08 (including Two Independent Director) which are within the limits given by BSEC.

1.2 Independent Directors

1.2.1 Mr. Nurul Alam Chowdhury, Independent Director

Mr. Nurul Alam Chowdhury, has been appointed as the independent director of the company. He has taken his MBA degree from IBA, Dhaka University at the year 1980 and Banking Diploma Part 1 & 2 from Institute of Bankers, Bangladesh at the year 1980 & 1982 respectively. After completion of his education he starts his career as a Banker. Mr. Nurul Alam chowdhury has around 31 years experience in the different banks with high level management capacity, namely National Bank Ltd., Prime Bank Ltd., Mercantile Bank Ltd. & Premier Bank Ltd. He has participated in various seminars, conferences home and abroad.

1.2.2 A Mannan Mir, Independent Director

Mr. A Mannan Mir, is another independent director of the company. He has taken his MSS degree in political science from University of Dhaka at the year 1977. He engaged in different business for the last 15 years. He has participated in various seminars, conferences home and abroad.

2.0 Company Secretary, Chief Financial Officer, Head of Internal Audit

As per corporate governance of BSEC, the company has allocated the responsibilities as follows:

Company Secretary	: Md. Arifur Rahman
Chief Financial Officer	: Md. Firoj Alam
Head of Internal Audit	: Md. Rayhan Uddin Tapan

3.0 Audit Committee

The Audit Committee, as a subcommittee of the Board of Director has been constituted with the Independent Director as Chairman and two other Directors. The company Secretary acts as Secretary to the Audit Committee.

NATIONAL FEED MILL LIMITED

This committee assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company. Audit committee is responsible to the Board of Directors and its roles and responsibilities are clearly set forth. The role of the Audit Committee has been stated in the annual audit committee report.

4.0 External Statutory Auditors

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

5.0 Subsidiary Company

The company has no subsidiary company.

6.0 Duties of CEO & CFO

The provision of BSEC regulations has been compiled.

7.0 Reporting and Compliance of Corporate Governance

Requirement of the above are being complied with and is shown as annexure-I

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 at the annual general meeting:

1. Adib Hossain Babul
2. Rezaul Karim
3. Imtiaz Ali

Mr Adib Hossain Babul and Mr. Rezaul Karim are eligible for re-appointment.

Shareholding of Directors

The shareholding of directors at the end of 31st December, 2014 is shown as Annexure-II of this report.

Directors involved in other companies are shown as Annexure-III.

Board Meeting and Attendance

During the year 9 (Nine) Board Meetings were held. The attendance record of the directors is as given below

Name of Directors	Attendance
Farida Jahan Babul	9
Akther Hossain Babul	9
Adib Hossain Babul	7
Imtiaz Ali	9
Rezaul Karim	9
Lipi Sultana Karim	9
Mr. Md. Nurul Alam Chowdhury**	4
A Mannan Mir**	4

** Mr. SM Nurul Alam Chowdhury & Mr. A Mannan Mir has appointed as a independent Director on August, 2014.

Director's remuneration

The Directors of National Feed Mill Limited does not enjoyed other than remuneration received by three Directors, which is as under:

(Amount in Tk.)

Name of the Directors	Designation	Nature of Transaction	31.12.2014	31.12.2013
Farida Jahan Babul	Chairman	Remuneration	1,300,000	1,300,000
Akther Hossain Babul	Managing Director	Remuneration	2,600,000	2,600,000
Adib Hossain Babul	Director	Remuneration	1,300,000	1,300,000

NATIONAL FEED MILL LIMITED

Directors also report that:

- 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 reason able 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. The key operating and financial data for the last five years are shown on page 5.
- vii. The pattern of shareholding is provided in Annexure-II of the annual report.

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 in place.

Going Concern

While approving the financial statements, the directors have made appropriate enquiries and analysed 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. Therefore the company adopted the going concern basis in preparing the financial statements.

Dividend

The Board of Directors has recommended 10% stock dividend for the existing shareholders for the year ended 31st December, 2014 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the company and/or depository register of CDBL as on record date i.e. May 12, 2014.

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 under review.

I also thank Registrar of Joint Stock Companies (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (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 under review.

To ensure financial security we always welcome your suggestions and opinion to improve present and future services of the company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Accounts 2014 and Directors' Report placed before you.

Thanking you,
On behalf of the Board of Directors,

Farida J. Babul
Farida Jahan Babul
Chairman

NATIONAL FEED MILL LIMITED

CEO & CFO's Declaration to the Board of Directors

The Board of Directors
National Feed Mill Limited
Registered & Corporate Office, House # 20/B, Road # 14,
Sector # 04, Uttara, Dhaka-1230, Bangladesh.

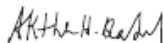
Subject: CEO & CFO's Declaration to the Board of Directors

Dear Sir,

In compliance with the condition no. 6 imposed by Bangladesh Securities and Exchange Commission's notification no. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities & Exchange Ordinance 1969, we do hereby certify to the Board of Directors that:

- (i) We have reviewed the financial statements for the year ended on December 31, 2014 and that to the best of our knowledge and belief;
- (a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
- (b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours


(Akhter Hossain Babul)
Managing Director


(Md. Firoj Alam)
Chief Financial Officer

Audit Committee Report

(For the year 2014)

National Feed Mill Limited established an audit committee as a sub-committee of the Board of Directors. The committee supports the Board in fulfilling its oversight responsibilities.

The audit committee of National Feed Mill Limited of the following Board members:

S M Nurul Alam Chowdhury (Independent Director)	: Chairman
Rezaul Karim (Director)	: Member
Lipi Sultana Karim (Director)	: Member
Md Arifur Rahman (Company Secretary)	: Member Secretary

Terms of Reference

The terms of reference of the committee has been agreed upon as follows:

- ♦ To review all internal and external audit report.
- ♦ To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- ♦ To review the finding of the internal and external auditors.
- ♦ To review and approve the Annual "Audit Plan" of the Internal Audit Department.
- ♦ To monitor the implementation of the recommendations of the Internal and External auditors.
- ♦ Oversee hiring and performance of external auditors.
- ♦ To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
- ♦ To review the company's statement on internal control systems prior to endorsement by the Board.
- ♦ Review statement of significant related party transactions submitted by the management.

Activities carried out during the year

The committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit report. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

On behalf of the Audit Committee



S M Nurul Alam Chowdhury
Chairman
Audit Committee

NATIONAL FEED MILL LIMITED



MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

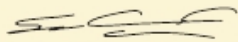
CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE OF NATIONAL FEED MILL LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by National Feed Mill Limited for the year ended 31 December, 2014. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

Place : Dhaka
Date : May 10, 2015


Mazumdar Sikder and Associates
Cost & Management Accountants

NATIONAL FEED MILL LIMITED

Annexure-I

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1.	Board of Directors:			
1.1	Board's Size: The number of the board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		
1.2	Independent Directors:			
1.2(i)	One Fifth(1/5) of the total number of directors			
1.2(ii)a	Does not hold any share or holds less than 1% shares of the total paid-up shares.	✓		
1.2(ii)b	Not connected with any Sponsor/ Director/ Shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship	✓		
1.2(ii)c	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies.	✓		
1.2(ii)d	Not a member, director or officer of any stock exchange	✓		
1.2(ii)e	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2(ii)f	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		
1.2(ii)g	Not be an independent director in more than 3 (three) listed companies.	✓		
1.2(ii)h	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	✓		
1.2(ii)i	Not been convicted for a criminal offence involving moral turpitude.	✓		
1.2(iii)	Nominated by the board of directors and approved by the shareholders in the AGM.	✓		Appointment of two of the Independent Director is placed for approval by the shareholders in this AGM
1.2(iv)	Not remain vacant for more than 90 (ninety) days.	✓		Appointed Independent Director 1st time
1.2(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	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.	✓		Appointed Independent Director 1st time

NATIONAL FEED MILL LIMITED

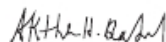
1.3	Qualification of Independent Director (ID):			
1.3(i)	Knowledge of Independent Directors	✓		
1.3(ii)	Background of Independent Directors	✓		
1.3(iii)	Special cases for qualifications			N/A
1.4	Individual Chairman of the Board and CEO.	✓		
1.5	The Directors Report to shareholder:	✓		
1.5(i)	Industry outlook and possible future developments in the industry.	✓		
1.5(ii)	Segment-wise or product-wise performance	✓		
1.5(iii)	Risks and concerns:	✓		
1.5(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5(v)	Discussion on continuity of any Extra-ordinary gain or loss	✓		N/A
1.5(vi)	Basis for related party transactions	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others.	✓		
1.5(viii)	Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights Offer and Direct Listing.	✓		N/A
1.5(ix)	Explanation about significant variance occurs between Quarterly financial performance and Annual Financial Statements.	✓		N/A
1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	Fairness of Financial Statement	✓		
1.5(xii)	Maintenance of proper books of accounts.	✓		
1.5(xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5(xiv)	Followed IAS,BAS,IFRS and BFRS in preparation of financial statement	✓		
1.5(xv)	Soundness of internal control system	✓		
1.5(xvi)	Ability to continue as a going concern.	✓		
1.5(xvii)	Significant deviations from the last year's			
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) year	✓		
1.5(xix)	Reasons for not declared dividend			
1.5(xx)	Number of board meetings held during the year and attendance.	✓		
1.5(xxi)	Pattern of shareholding:			
1.5(xxi)(a)	Parent/subsidiary/Associated Companies and other related parties.	✓		
1.5(xxi)(b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	✓		
1.5(xxi)(c)	Executives	✓		
1.5(xxi)(d)	10% or more voting interest.	✓		
1.5(xxii)	Appointment / re-appointment of director:			
1.5(xxii)(a)	Resume of the director	✓		
1.5(xxii)(b)	Expertise in specific functional areas.	✓		
1.5(xxii)(c)	Holding of directorship and membership of committees of the board other than this company.	✓		
2.	CFO, Head of Internal Audit (HIA) and CS:			

NATIONAL FEED MILL LIMITED

2.1	Appointment of CFO, HIA and CS and defining their responsibilities	✓		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors	✓		
3.	Audit Committee:			
3(i)	Constitution of Audit Committee	✓		
3(ii)	Assistance of the Audit Committee to Board of Directors	✓		
3(iii)	Responsibility of the Audit Committee	✓		
3.1	Constitution of the Audit Committee:	✓		
3.1(i)	At least 3(three) members	✓		
3.1(ii)	Appointment of members of the Audit committee.	✓		
3.1(iii)	Qualification of Audit Committee members	✓		
3.1(iv)	Term of service of Audit Committee members	✓		N/A
3.1(v)	Secretary of the Audit Committee.	✓		
3.1(vi)	Quorum of the Audit Committee.	✓		
3.2	Chairman of the audit committee:			
3.2(i)	Board of Director shall select the Chairman.	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the AGM	✓		
3.3	Role of Audit Committee:			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk management process.	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions.	✓		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.	✓		
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	Activities of Audit Committee.	✓		
3.4.1(ii)a	Conflicts of Interests			N/A
3.4.1(ii)b	Material defect in the internal control system.			N/A
3.4.1(ii)c	Infringement of laws, rules and regulations			N/A
3.4.1(ii)d	Any other matter.			N/A
3.4.2	Reporting to the Authorities			N/A
3.5	Reporting to the Shareholders and General Investors.	✓		
4	Engagement of External/Statutory Auditors:			
4(i)	Non-engagement in appraisal or valuation services or Fairness opinions.	✓		
4(ii)	Non-engagement in designing and implementing of Financial Information Systems.	✓		
4(iii)	Non engagement in Book-keeping or accounting	✓		
4(iv)	Non-engagement in Broker-Dealer services.	✓		
4(v)	Non-engagement in Actuarial services	✓		
4(vi)	Non engagement in Internal Audit services.	✓		

NATIONAL FEED MILL LIMITED

4(vii)	Non-engagement in services that the audit committee determines	✓		
4(viii)	Possessing no share by any partner or employee of the external audit firm during the tenure of their audit assignment of that company	✓		
4(ix)	Audit/certification services on compliance of corporate governance	✓		
5	Subsidiary Company:			
5(i)	Composition of the Board of Directors.			N/A
5(ii)	At least 1 (one) independent director to the subsidiary company			N/A
5(iii)	Submission of Minutes to the holding company			N/A
5(iv)	Review of Minutes by the holding company			N/A
5(v)	Review of Financial Statement by the holding company.			N/A
6	Duties of Chief executive Officer and Chief Financial Officer			
6(i)a	Reviewed the materially untrue of the financial statement	✓		
6(i)b	Reviewed about compliance of the accounting standard.	✓		
6(ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct.	✓		
7	Reporting and Compliance of Corporate Governance:			
7(i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	✓		
7(ii)	Annexure attached in the director's report.	✓		



Akther Hossain Babul
Managing Director

Annexure-II

SHAREHOLDING OF DIRECTORS AT THE END OF 31ST DECEMBER, 2014:

SL	Name	Position	No of Shares	%
1	Farida Jahan Babul	Chairman	3,147,540	5.427
2	Akther Hossain Babul	Managing Director	16,242,060	28.004
3	Adib Hossain Babul	Director	3,398,400	5.859
4	Imtiaz Ali	Director	1,860,000	3.207
5	Rezaul Karim	Director	1,440,000	2.483
6	Lipi Sultana Karim	Director	1,440,000	2.483

DIRECTORS INVOLVED IN OTHER COMPANIES:

Annexure-II

SL.	Name	Position in THKDL	Involvement	
			Name of company	Position
1	Farida Jahan Babul	Chairman	1. National Hatchery. 2. Karnapur Agro Industries Ltd. 3. Karnapur Hatchery Ltd. 4. National Electrode & Electronics Ltd.	1. Director 2. Director 3. Director 4. Director
2	Akther Hossain Babul	Managing Director	1. National Hatchery. 2. Karnapur Agro Industries Ltd. 3. Karnapur Hatchery Ltd. 4. National Electrode & Electronics Ltd.	1. Director 2. Director 3. Director 4. Director

NATIONAL FEED MILL LIMITED

Independent Auditors Report To The Shareholders of National Feed Mill Ltd.

We have audited the accompanying financial statements of National Feed MILL Limited, which comprise the Statement of Financial position as at December 31, 2014 along with Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of National Feed MILL Limited as of December 31, 2014 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards, Bangladesh Securities and Exchange Commission's rules 1987 and comply with the Companies Act 1994 and other applicable rules and regulations.

We also report that;

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

Place: Dhaka
Dated: April 27, 2015


Ahmed Zaker & CO.
Chartered Accountants

NATIONAL FEED MILL LIMITED

Auditors' Report To The Shareholders of National Feed Mill Limited

We have audited the accompanying financial statements of **National Feed Mill Limited**, which comprise the Statement of Financial position as at December 31, 2014 along with Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **National Feed Mill Limited** as of December 31, 2014 and of its financial performance for the year then ended in accordance with Bangladesh Financial Reporting Standards, Bangladesh Securities and Exchange Commissions rules 1987 and comply with the Companies Act 1994 and other applicable rules and regulations.

Report on Other Legal and Regulatory Requirements

We also report that;

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

Place: Dhaka
Dated: April 27, 2015


Ahmed Zaker & CO.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Limited Statement of Financial Position As at December 31, 2014

Particulars	Notes	Amount in Taka	
		31.12.2014	31.12.2013
ASSETS			
Non-Current Assets		312,425,994	328,881,707
Property, Plant and Equipment	4.00	312,425,994	328,881,707
Current Assets:		1,080,280,874	814,681,000
Inventory	5.00	482,029,019	455,514,545
Accounts Receivable	6.00	295,142,172	202,341,960
Advances, Deposits & Prepayments	7.00	102,062,499	146,190,320
Investments	8.00	4,000,000	5,000,000
Interest Receivable	9.00	361,555	502,568
Cash and cash equivalents	10.00	196,685,629	5,131,607
Total Assets		1,392,706,868	1,143,562,707
SHAREHOLDERS EQUITY AND LIABILITIES			
Capital and Reserve		835,880,149	582,018,347
Share Capital	11.00	580,000,000	400,000,000
Retained Earnings	12.00	249,690,149	175,828,347
General Reserve	13.00	6,190,000	6,190,000
Non-Current Liabilities		26,199,162	50,547,943
Long Term Loan	14.00	23,270,463	46,284,463
Deferred Tax	15.00	2,928,699	4,263,480
Current Liabilities		530,627,557	510,996,417
Accounts Payable	16.00	63,898,297	66,463,575
Liabilities for Expenses & Other Finance	17.00	44,433,932	43,258,857
Workers' Profit Participation Fund	18.00	7,638,933	3,891,146
Long Term Loan-Current portion	19.00	39,391,532	32,536,785
Short Term Loan	20.00	359,808,620	351,818,541
Provision for Income Tax	21.00	15,456,243	13,027,513
Total Equity and Liabilities		1,392,706,868	1,143,562,707
Net Asset Value Per Share (NAVPS)		14.41	14.55

The annexed notes 1-33 form an integral part of these financial statements.

Fazida J. Babul
Chairman

AKH. H. Babul
Managing Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Signed in terms of our separate report of even date

Place: Dhaka
Dated: April 27, 2015

Ahmed Zaker
Ahmed Zaker & CO.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Limited Statement of Comprehensive Income For the Year ended December 31,2014

Particulars	Notes	Amount In Taka	
		31.12.2014	31.12.2013
Turnover	22.00	1,511,598,211	1,530,273,880
Cost of Goods Sold	23.00	(1,318,463,498)	(1,340,787,554)
Gross Profit		193,134,713	189,486,326
Less: Operating Expenses		39,262,334	38,397,498
Administrative Expenses	24.00	31,756,000	29,949,674
Selling & Distribution Expenses	25.00	7,506,334	8,447,824
Profit from operation		153,872,379	151,088,828
Other Income	27.00	562,678	1,355,155
Non Operating Expenses			
Financial Expenses	26.00	75,731,519	70,729,909
Net Profit for the year before WPPF		78,703,538	81,714,074
Workers Profit Participation Fund	28.00	(3,747,787)	(3,891,146)
Profit before tax		74,955,751	77,822,928
Less: Provision for Tax:			
Current Tax	21.00	(2,428,730)	(3,537,806)
Deferred Tax	15.00	1,334,781	(239,396)
Net Profit for the year after Tax		73,861,802	74,045,726
Earning Per Share	29.00	1.77	1.86

The annexed notes 1-33 form an integral part of these financial statements.

Fasida J. Sabul
Chairman

AKH. H. Reza
Managing Director

[Signature]
Company Secretary

[Signature]
Chief Financial Officer

Signed in terms of our separate report of even date

Place: Dhaka
Dated: April 27,2015

[Signature]
Ahmed Zaker & CO.
Chartered Accountants

National Feed Mill Limited

Statement of Changes in Equity
For the Year ended December 31, 2014

Particulars	Share Capital Deposit	Share Money Earnings	Retained Reserve	General	Total
Balance as on 01 January 2014	400,000,000	-	175,828,347	6,190,000	582,018,347
Issue of Share Capital	180,000,000				180,000,000
Net Profit for the year ended 31 December, 2014			73,861,802		73,861,802
Balance as on 31 December ,2014	580,000,000	-	249,690,149	6,190,000	835,880,149
Balance as on 01 January 2013	300,000,000	85,400,000	141,782,621	6,190,000	533,372,621
Net Profit for the year ended 31 December, 2013			74,045,726		74,045,726
Issue of Share Capital	14,600,000				14,600,000
Allotment to New Share	85,400,000	(85,400,000)			-
Cash Dividend			(40,000,000)		(40,000,000)
Balance as on 31 December ,2013	400,000,000	-	175,828,347	6,190,000	582,018,347

Fawad J. Anwar

Chairman

Atif H. Qureshi

Managing Director

[Signature]

Company Secretary

[Signature]

Chief Financial Officer

NATIONAL FEED MILL LIMITED

NATIONAL FEED MILL LIMITED

National Feed Mill Limited

Statement of Cash Flows
For the Year ended December 31,2014

Particulars	Amount In Taka	
	31.12.2014	31.12.2013
1. Cash Flows from Operating Activities		
Cash Receipts from Customer	1,418,797,999	1,446,505,952
Cash Payment to Suppliers and employees	(1,271,299,145)	(1,283,897,616)
Cash paid for Expenses	(36,660,650)	(88,837,148)
Cash generated from operating activities	110,838,204	73,771,188
Tax Paid	(4,018,070)	(2,015,076)
Cash paid for Bank interest & charges	(75,731,519)	(70,729,909)
	(79,749,589)	(72,744,985)
Net cash flow from Operating Activities	31,088,615	1,026,203
2. Cash Flows from Investing Activities		
Acquisition of property, plant & equipment	(565,810)	(15,064,842)
Interest Received	703,691	1,277,587
Investment in FDR	(4,000,000)	(5,000,000)
Encashment in Govt. Bond	5,000,000	5,000,000
Net Cash flow/(used) in Investing Activities	1,137,881	(13,787,255)
3. Cash Flows from Financing Activities		
Long Term Loan Received/ Adjust	(16,159,252)	(34,411,537)
Short Term Loan Received	7,990,079	8,251,786
Dividend Paid	(12,503,300)	(6,045,000)
Issue of Share Capital	180,000,000	14,600,000
Net cash flow from/(used) in financing activities	159,327,526	(17,604,751)
Net increase/(decrease) in cash and cash equivalents (1+2+3)	191,554,022	(30,365,803)
Cash and cash equivalents at the beginning of the year	5,131,607	35,497,410
Cash and cash equivalents at the end of the year	196,685,629	5,131,607
Net Operating Cash Flows per Share (NOCFPS)	0.54	0.03


Farida y. Babul
Chairman


Managing Director


Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date

Place: Dhaka
Dated: April 27,2015


Ahmed Zaker & CO.
Chartered Accountants

NATIONAL FEED MILL LIMITED

National Feed Mill Ltd. Notes to the Financial Statements For the year ended December 31, 2014

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. Registered office and place of business of the company

The registered office of the company is located at House # 20/B, Road # 14, Sector # 04, Uttara, Dhaka-1230

1.3 Factory address of the company

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

1.4 Principal activities and nature of business of the company

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

1.5 Number of employees of the company

At the end of December 31, 2014 and at the end of 31 December 2013, number of employees was 174 and 185 respectively including factory worker.

2. Significant Accounting Policies:

As per the requirements of BAS 1: "Presentation of Financial Statements" financial statements comprise a statement of financial position at the end of the year, a statement of 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 December 31, 2014 with the comparative amounts as at December 31, 2013 and are prepared under the historical cost convention on generally accepted accounting principles on going concern basis. Financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), the companies Act 1994, Bangladesh Securities and Exchange Commission Rules, 1987 and other applicable laws & regulations.

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

1.1. 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.

NATIONAL FEED MILL LIMITED

1.1. 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 BAS 1: "Presentation of Financial Statements". The figures in the financial statements have been rounded off to the nearest taka.

1.2. Property, Plant and Equipment (PPE)

1.2.1. 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 income statement as an expense as incurred.

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

1.2.2. 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.

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.

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%

NATIONAL FEED MILL LIMITED

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

2.4.3 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 profit and loss account as expense.

2.4.4 Impairment of Assets

No fact and circumstances indicate that company's assets including property, plant and equipment may be impaired. Hence, no evaluation of recoverability of assets was performed.

1.1. Investment

Investment includes fixed deposits held with Bank Asia Limited in the name of National Feed Mill Limited. The fixed deposits are renewed upon maturity at the option of the company from time to time.

1.2. Inventories

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

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

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

2.7 Financial Instruments

a) Derivative:

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

b) Non-Derivative:

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

2.7.1 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.

2.7.2 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 Comprehensive Income

NATIONAL FEED MILL LIMITED

2.7.3 Cash and Cash Equivalents

According to BAS 7 "Statement of Cash Flow" Cash comprise cash in hand, demand deposit and cash equivalents which are short term highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changing balances and call deposits, Bank Balances in value. BAS 1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in hand and Bank balances have been treated as Cash and Cash Equivalent.

2.7.4 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.

2.7.5 Accounts Payable (Trade Creditors and Other Payables)

Accounts Payable (Trade and other payables) are stated at cost.

2.8 Provision, Contingent Liabilities and contingent Assets

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

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

- q When the company has a present obligation as a result of past event.
- q When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and
- q 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 Balance Sheet date.

The company has no contingent assets or liabilities which require disclosure under BAS: 37. Contingent assets and contingent liabilities are not recognized in the financial statements except the balance amount of IPO subscription money of Tk. 5,005,000 (Approx.) as at 12.04.2015 yet to be refundable.

2.9 Foreign Currencies transactions and translations

These Financial Statements are presented in Bangladeshi Taka which in 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.

2.10 Employee Benefits

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

2.10.1 Contributory Provident Fund

The Company operates a contributory employee's provident fund scheme as per Labour Law 2006. 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.

NATIONAL FEED MILL LIMITED

2.10.2 Contribution to Workers' Profit Participation & Welfare Fund

This is being calculated and provisions is made @ 3.00% of the net profit after charging such sum of expenses as per provisions of Bangladesh Labour Law, 2006 and is payable to workers as defined in the said Law.

2.11 Loans and Borrowing

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

2.12 Revenue Recognition

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

2.13 Finance Income and Expenses

Finance income comprises interest income on funds invested. Interest income is recognized on maturity. Finance expenses comprise interest expenses on loan and bank charges. All borrowing costs are recognized in the statement of comprehensive income using effective interest charging method except to the extent that they are capitalized during construction period of the plants in accordance with BAS-23 Borrowing cost.

2.14 Earnings Per Share (EPS)

The Company calculates Earning per Share (EPS) in accordance with BAS 33: Earning per Share, which has been shown on the face of Statement of Comprehensive Income 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.

2.15 Cash flow statement

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

2.16 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).

NATIONAL FEED MILL LIMITED

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

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

2.18 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.

2.19 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 BAS 24 'Related Party Disclosures', which have been disclosed under Note –7.01

2.20 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.

2.21 Comparative Information

Comparative information has been disclosed as required by BAS-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 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.

2.22 Taxation

2.22.1 Current Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement 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 year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Provision for corporate income tax is made @ 3% of the Pre-tax Profit on company's Product Sales and 35% on remaining income, if any, as per provision of the income tax ordinance.

2.22.2 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

NATIONAL FEED MILL LIMITED

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 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.

2.23 Reporting period

The financial period of the company covers one year from 01 January to 31 December.

2.24 Components of the Financial Statements

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

- i) Statement of Financial Position as on December 31, 2014
- ii) Statement of Comprehensive Income for the year ended December 31, 2014
- iii) Statement of Changes in Equity for the year ended December 31, 2014
- iv) Statement of Cash Flows for the year ended December 31, 2014
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended December 31, 2014.

3. Statement of Compliance

3.1. Compliances with Local laws and Rules

The company is also required to comply with the following major laws and regulation in addition to the Companies Act, 1994:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- Bangladesh Labour Law, 2006
- Bangladesh Securities and Exchange Rules, 1987

3.2. Capital raise through Initial Public Offer (IPO)

The company has raised its paid up Capital by issuing ordinary share through Initial Public Offering (IPO). The collected amount is Tk. 18,00,00,000 by issuing 1,80,00,000 ordinary share of Tk. 10 per share vide BSEC consent letter no. BSEC/CI/IPO-228/2013/662 dated September 21, 2014.

3.3. Authorization date for issuing Financial Statements

The financial statements were authorized for issue by the Board of Directors on April 27, 2015.

3.4. General

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

NATIONAL FEED MILL LIMITED

	Amount In Taka	
	31.12.2014	31.12.2013
4.00 Property, Plant and Equipment		
Cost		
Opening Balance	442,146,396	427,081,554
Add: Addition during the year	565,810	15,064,842
Sub-Total	442,712,206	442,146,396
Less: Accumulated Depreciation		
Opening Balance	113,264,690	94,205,930
Add: Charge during the year	17,021,523	19,058,760
Sub-Total	130,286,212	113,264,690
Total Taka	312,425,994	328,881,707

Details of Property, Plant and Equipment and Depreciation are shown in the annexed Schedule "A".

5.00 Inventory

The make-up of the sum is as under:

Finished Product	4,130,347	3,164,587
Raw and Other Materials:	477,898,672	452,349,958
Raw Materials	439,409,528	422,805,351
Packing Materials	16,941,026	14,327,753
Spare Parts	21,548,118	15,216,854
Total Taka	482,029,019	455,514,545

6.00 Accounts Receivable

Accounts Receivable	295,142,172	202,341,960
Total Taka	295,142,172	202,341,960

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

Aging Schedule of Accounts Receivable	Amount in Taka
0 - 90 days	140,696,529
91 - 180 days	132,711,438
181 - 365 days	21,734,205
Total	295,142,172

7.00 Advances, Deposits & Prepayments

The break up of the sum is as under:

- Balance with related Companies (Note-7.01)	82,210,144	121,746,391
- Advances (Note-7.02)	17,618,208	22,769,186
- Deposits (Note-7.03)	2,234,147	1,674,743
Total Taka	102,062,499	146,190,320

7.01 Balance with related Companies

This balance consists of as follows :

National Petroleum Ltd.	-	337,150
Karnopur Agro Industries Ltd.	6,292,472	6,676,312
National Electrode & Electronics Ltd.	18,345,023	33,150,088
National Hatchery Ltd.	55,459,588	80,945,780
Karnopur Hatchery Ltd.	2,113,061	637,061
Total Taka	82,210,144	121,746,391

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

NATIONAL FEED MILL LIMITED

		Amount in Taka	
		31.12.2014	31.12.2013
7.02	Advances		
	This balance consists of as follows :		
	Advance against Godown Rent - Hazi	-	300,000
	Advance to Staff against salary	83,500	21,500
	Advance Against Purchase	2,267,641	237,169
	Advance to others suppliers	500,801	1,763,951
	Advance Income Tax (AIT)	7,370,888	3,352,818
	Advance - Making of FAO's shed	-	14,924,330
	L/C Margin	5,833,964	436,217
	Prepaid Insurance premium	1,561,414	1,733,201
	Total Taka	17,618,208	22,769,186
7.03	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	1,364,566	805,162
	Gazipur Palli Biddut Samity	285,512	285,512
	Total Taka	2,234,147	1,674,743
	Bank Guarantee Margin of Tk. 13,64,566 represents the sum of payment on issuing Guarantee on behalf of the company (NFML) in favor of Titas Gas Transmission & Distribution Company Ltd.		
8.00	Investment		
	The make-up of the sum is as under:		
	1. Govt. Bond		
	Opening Balance	-	5,000,000
	Less: Encashment	-	(5,000,000)
		-	-
	2. FDR with Al-Arafa Islami Bank Ltd.	5,000,000	5,000,000
	3. FDR with Bank Asia Ltd.	4,000,000	
	Less: Encashment	(5,000,000)	
	Total Taka	4,000,000	5,000,000
9.00	Interest Receivable		
	Opening Balance	502,568	425,000
	Accrued Interest on FDR@ 12.50%	177,429	502,568
	Accrued Interest on FDR Bank Asia@10.75%	384,055	-
	Less: Realised	(702,497)	(425,000)
		361,555	502,568
10.00	Cash & Cash Equivalents		
	Cash in Hand (Note-10.01)	905,054	797,355
	Cash at Bank (Note-10.02)	195,780,575	4,334,252
		196,685,629	5,131,607
10.01	Cash in Hand		
	Head Office	145,128	106,176
	Factory	759,926	691,179
	Total Taka	905,054	797,355

NATIONAL FEED MILL LIMITED

		Amount in Taka	
		31.12.2014	31.12.2013
10.02 Cash at Bank	A/C Type & Number		
Prime Bank Ltd-Motijheel Branch	CD - 2631	2,951	17,876
AB Bank Ltd-Gulshan Branch	CD - 53000	17,859	21,214
BRAC Bank Ltd, Uttara Barnch	CD - 951001	9,575	13,195
Shahjalal Islami Bank Ltd, Uttara Branch	CD - 7492	561,268	47,053
Bank Asia	CD - 138	1,221	50,766
Bank Asia, Shantinagar Branch	CD - 932	37,879	114,685
Bangladesh Krishi Bank, Uttara Branch	CD - 410	138,157	5,664
Premier Bank Ltd, Gulshan Branch	CD - 14906	5,630	6,780
Shahjalal Islami Bank Ltd, Banani Branch	CD - 1084	3,790	2,538,625
Shahjalal Islami Bank Ltd, Bananni Branch	STD - 583	9,715	6,988
Jamuna Bank Ltd-Dilkusha Branch	STD - 1256	2,610	3,757
Social Islami Bank Ltd. Mohammadpur Branch	CD - 710	238,115	159,812
Agrani Bank Ltd - Uttara Branch	CD - 5640	129,868	85,453
Al Arafah Islami Bank Ltd- Banani Branch	CD - 5046	11,428	16,757
Al Arafah Islami Bank Ltd- Gulshan Branch	CD - 2825	25,757	17,028
NCC Bank Ltd. - Gulshan Branch	CD - 9440	2,652	207,268
One Bank Ltd - Principal Branch	CD - 7028	18,720	20,680
Sonali Bank Ltd - Banani Branch	CD - 10345	31,786	34,604
National Bank Ltd - Dilkusha Branch	CD - 40786	77,033	9,376
Pubali Bank Ltd - Uttara Branch	CD - 2732	108,031	37,251
Islami Bank Ltd - Uttara Branch	CD - 3698	625,599	693,525
Mercantile Bank Ltd - Main Branch	CD - 12447	5,065	19,367
Uttara Bank Ltd. - Uttara Branch	CD - 1418	3,940	27,387
Social Islami Bank Ltd. Madrasha Branch	MND - 263	5,445	6,883
Jamuna Bank Ltd-Dilkusha Branch	CD - 14450	12,375	66,833
Jamuna Bank Ltd-SND, Dilkusha Branch	SND # 1578	193,466,617	4,459
One Bank Ltd - Jagannathpur Branch	CD - 667	43,337	5,401
Meghna Bank Ltd, Motijheel	CD - 123	2,823	-
Janata Bank Ltd - Banani Branch	CD - 4595	181,330	95,565
Total Taka		195,780,575	4,334,252
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		580,000,000	400,000,000
5,80,00,000 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 J Babul	Chairman	5.43%	3,147,540	31,475,400
2. Mr. Akhtar Hossain Babul	Managing Director	28.00%	16,242,060	162,420,600
3. Mr. Adib Babul	Director	5.86%	3,398,400	33,984,000
4. Mr. Rezaul Karim	Director	2.48%	1,440,000	14,400,000
5. Mr. Imtiaz Ali	Director	3.21%	1,860,000	18,600,000
6. Mrs. S. Lipi Karim	Director	2.48%	1,440,000	14,400,000
7. National Hatchery Ltd (NHL)	Sponsor Shareholder	4.26%	2,472,000	24,720,000
9.Genaral Public	Shareholder	48.28%	28,000,000	280,000,000
		100%	58,000,000	580,000,000

NATIONAL FEED MILL LIMITED

Holdings	Number of holders		% of total holding	
	2014	2013	2014	2013
Less than 500 shares	-	-	0.00%	0.00%
500 to 5,000 shares	36,000	-	31.03%	0.00%
5,001 to 10,000 shares	-	-	0.00%	0.00%
10,001 to 20,000 shares	1	1	0.03%	0.05%
20,001 to 30,000 shares	-	-	0.00%	0.00%
30,001 to 40,000 shares	-	-	0.00%	0.00%
40,001 to 50,000 shares	4	3	0.34%	0.38%
50,001 to 100,000 shares	11	9	1.72%	2.25%
100,001 to 1,000,000 shares	7	7	5.28%	8.03%
Over 1,000,000 shares	10	10	61.58%	89.29%
	36,033	30	100%	100%

	Amount In Taka	
	31.12.2014	31.12.2013
12.00 Retained Earnings		
Opening Balance	175,828,347	141,782,621
Add: Net Profit for the year	73,861,802	74,045,726
	249,690,149	215,828,347
Less: Cash Dividend Dividend	-	(40,000,000)
Closing Balance	249,690,149	175,828,347
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 brought forward since 2009 equivalent to 10% of the yearly 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	78,821,248	113,232,785
Add: Interest & Charge during the year	10,451,195	18,093,005
Add: Received during the year	-	80,020,000
Less: Repayment and adjustment during the year	(26,610,448)	(132,524,542)
Less: Transfer to Current Liabilities	(39,391,532)	(32,536,785)
Closing Balance	23,270,463	46,284,463

This represents the sum of dues payable to Commercial Banks and Lease Financing Company, the make-up of the sum is as under:

01. Jamuna Bank Ltd , Term Loan # 508 (Note-14.01)	-	-
02. People's Leasing & Financial Services Ltd (Note-14.02)	-	-
03. Industrial Promotion & Dev. Coy.(IPDC) -Note:14.03	871,353	4,679,100
04. Bank Asia, Term Loan # 881 -Note:14.04	22,399,110	41,605,363
Total Taka	23,270,463	46,284,463

NATIONAL FEED MILL LIMITED

	Amount in Taka	
	31.12.2014	31.12.2013
14.01 Jamuna Bank Ltd, Term Loan # 508		
Opening Balance	-	82,649,064
Add: Interest & Charge during the year	-	12,348,925
Less: Repayment during the year	-	(94,997,989)
Sub -Total	-	-
Less: Transfer to current liabilities (Note-20)	-	-
Closing Balance	-	-
14.02 People's Leasing & Financial Services Ltd.		
Opening Balance	-	30,583,721
Add: Interest & Charge during the year	-	5,276,269
Less: Payment during the year	-	(35,859,990)
Sub -Total	-	-
Less: Transfer to current liabilities (Note-20)	-	-
Closing Balance	-	-
14.03 Industrial Promotion & Dev. Coy.(IPDC)		
Opening Balance	7,558,437	-
Add: Received during the year	-	9,225,000
Less: Payment during the year	(2,082,540)	(1,666,563)
Less: Transfer to current liabilities (Note-20)	(4,604,544)	(2,879,337)
Closing Balance	871,353	4,679,100
14.04 Bank Asia, Term Loan # 881		
Opening Balance	71,262,811	-
Add: Received during the year	-	70,795,000
Add: Interest & Charge during the year	10,451,195	467,811
Less: Repayment during the year	(24,527,908)	-
Sub -Total	57,186,098	71,262,811
Less: Transfer to current liabilities (Note-20)	(34,786,988)	(29,657,448)
Closing Balance	22,399,110	41,605,363
15.00 Deferred Tax		
Opening Balance	4,263,480	4,024,084
Add: Addition during the year	-	239,396
	4,263,480	4,263,480
Less: Adjusted during the year	(1,334,781)	-
Grand Total Taka	2,928,699	4,263,480
16.00 Accounts Payable		
This represents the sum payable against cost of raw materials and other goods procured, the break-up whereof is as under:		
Creditors for Goods Supply	62,235,005	62,028,991
S R Instruments	20,825	38,825
Nayan Engineering Works	91,500	-
Master Computer	61,392	1,992
Bearing Sales Corp	18,200	28,230
DASF Equipments	-	100,000

NATIONAL FEED MILL LIMITED

	Amount In Taka	
	31.12.2014	31.12.2013
Dhaka Trading	-	122,255
Dohar Automobile	-	8,000
Fortune Advertising	91,430	-
Green Soft Sys Ltd	24,500	27,500
HRC Technology	-	205,306
Kingsland Corporation	252,437	259,437
Mozid Engineering Works	-	15,656
Mohammadia Auto Mobiles	70,000	-
Moitry Transport	-	22,499
SR Traders	713,688	1,025,386
Sifat Packaging	-	3,000
Rabaya Engineering	82,320	112,320
Shakawat Enterprise	-	2,297,029
Navana Interlinks Limited	-	5,000
Power Pack Engineering Technology	237,000	122,149
Green Power Transformer Company	-	40,000
Total Taka	63,898,297	66,463,575

Aging Schedule of Accounts Payable	Amount in Taka
0 - 90 days	43,504,175
91 - 180 days	17,139,290
181 - 365 days	3,254,832
Total	63,898,297

17.00 Liabilities for Expenses & Other Finance

This make-up of the sum is as under:

17.01 Liabilities for Expenses

Remuneration payable	-	400,000
Salaries & Wages	1,640,838	1,199,519
Electricity Bill	441,690	319,940
Gas Bill	116,502	102,003
Audit Fee	115,000	200,000
Office Rent	95,000	95,000
Provision for Telephone Bill	2,535	5,594
Provision for Utility Bill (Wasa bill)	1,534	4,532
Dividend Payable	25,996,700	38,500,000
Provision PF	56,210	45,300
Provision Interest on LTR	-	1,908,061
IPO Expenses Payable	15,357,165	-
Sub-Total	43,823,174	42,779,949

17.02 Liabilities for Others Finance:

This represents the sum deducted of the time at making payments, the break-up whereof is as under:

VAT-Supplier	516,708	379,008
VAT- Office Rent	94,050	99,900
Sub-Total	610,758	478,908
Total Taka	44,433,932	43,258,857

NATIONAL FEED MILL LIMITED

	Amount In Taka	
	31.12.2014	31.12.2013
18.00 Workers Profit Participation Fund		
This represents the sum of fund equivalent to 5% of profit, the movement whereof is as under:		
Opening Balance	3,891,146	3,836,358
Add: Addition during the year	3,747,787	3,891,146
Less: Payment made during the year	-	(3,836,358)
	7,638,933	3,891,146
19.00 Long Term Loan (Current portion)		
This represents the sum of dues payable within next 12 (twelve) months, the make-up whereof is as under :		
Jamuna Bank Ltd , Term Loan # 508 (Note-14.01)	-	-
People's Leasing & Financial Services Ltd (Note-14.02)	-	-
Industrial Promotion & Dev. Coy.(IPDC) (Note-14.03)	4,604,544	2,879,337
Bank Asia, Term Loan # 881 (Note-14.04)	34,786,988	29,657,448
Total Taka	39,391,532	32,536,785
20.00 Short Term Loan		
The movement of the sum is as under:		
Opening Balance	351,818,541	343,566,755
Add: Received during the year	500,213,565	1,039,985,445
Less: Repayment during the year	492,223,486	1,031,733,659
Closing Balance	359,808,620	351,818,541
The aforesaid sum is payable to:		
01. Social Islami Bank Ltd-Note 20.01	50,875,881	66,809,719
02. Shahjalal Islami Bank Ltd.-Note 20.02	-	38,010,473
03. Al -Arafah Islami Bank Ltd.-Note-20.03	-	12,372,605
04. LankaBangla Finance Ltd.-Note 20.04	1,216,333	13,582,336
05. Bank Asia-Note 20.05	268,544,373	221,043,408
06. Meghna Bank Limited - Note 20.06	39,172,033	-
Total Taka	359,808,620	351,818,541
20.01 Social Islami Bank Ltd		
LC	-	9,301,939
MPI	-	2,556,758
MBE	-	11131917
TR	50,875,881	43819105
Total Taka	50,875,881	66,809,719
20.02 Shahjalal Islami Bank Ltd.		
a) BM	-	23,572,102
b) TR	-	14,438,371
Total Taka (a+b)	-	38,010,473
20.03 Al -Arafah Islami Bank Ltd		
Over Daft	-	12,372,605
20.04 LankaBangla Finance Ltd.	1,216,333	13,582,336
20.05 Bank Asia		
Over Daft # 995	89,756,476	80,128,646
Demand Loan	175,723,117	140,914,762
LTR	3,064,780	-
	268,544,373	221,043,408

NATIONAL FEED MILL LIMITED

		Amount In Taka	
		31.12.2014	31.12.2013
20.06	Meghna Bank Limited		
	CC Hypo	20,917,623	-
	Time Loan	2,949,241	-
	LTR	15,305,169	-
	Total	39,172,033	-
21.00	Provision for Income Tax		
	Opening Balance	13,027,513	9,489,707
	Add: Addition during the year	2,428,730	3,537,806
		15,456,243	13,027,513
	Less: Adjusted / Paid during the year	-	-
	Total Taka	15,456,243	13,027,513
22.00	Turnover		
	Broiler Feed	668,953,945	700,655,040
	Layer Feed	601,600,096	598,768,136
	Fish Feed	145,975,002	140,725,883
	Cattle Feed	27,915,834	15,375,224
	Floating Feed	67,153,334	74,749,597
	Total Taka	1,511,598,211	1,530,273,880
23.00	Cost of Goods Sold		
	Material Consumed 23.01	1,233,809,460	1,245,753,009
	Manufacturing Overhead 23.02	85,619,797	96,611,679
	Manufacturing costs for the year	1,319,429,257	1,342,364,688
	Cost of Goods Manufactured	1,319,429,257	1,342,364,688
	Add: Opening Stock of Finished Goods	3,164,588	1,587,454
	Less: Closing Stock of Finished Goods	4,130,347	3,164,588
	Cost of Goods Sold	1,318,463,498	1,340,787,554
23.01	Material Consumed :		
	Opening Stock of Raw Materials	422,805,351	433,123,676
	Add : Purchase during the year	1,250,413,637	1,235,434,684
	Less : Closing Stock of Raw Materials	439,409,528	422,805,351
	Material Consumed	1,233,809,460	1,245,753,009
23.02	Manufacturing Overhead :		
	Direct Labour (Note-23.02.01)	7,465,200	7,873,397
	Factory Overhead (Note-23.02.02)	78,154,597	88,738,282
	Total	85,619,797	96,611,679
23.02.01	Direct Labour		
	Wages and Bonus	7,465,200	7,873,397
	Total	7,465,200	7,873,397
23.02.02	Factory Overhead		
	Salaries & Festival Bonus	7,094,808	7,906,676
	Managing Director's Remuneration	2,600,000	2,600,000
	Production charge	12,766,160	16,444,200
	Tiffin Bill	82,612	108,258

NATIONAL FEED MILL LIMITED

	Amount In Taka	
	31.12.2014	31.12.2013
Entertainment	227,607	249,043
Medical Expenses	6,888	16,815
Godown Rent	-	125,840
Factory Office Expenses	440,547	442,593
Electricity Bill - Factory	3,640,851	3,543,553
Gas Bill - Factory	1,336,657	1,349,290
Fuel for Pick Up	183,274	389,478
Fuel for Stand By Generator	4,826,728	7,178,054
Mobile Phone Bill - Factory	66,098	45,200
Repair & Maintenance - Plant	1,100,722	1,125,930
Consumable Stores Consumption	2,350,201	4,829,134
Repair & Maintenance - Building	177,802	1,543,442
Packing Materials	23,777,544	22,827,979
Lab Test Fees	139,700	131,700
Insurance	2,557,994	1,558,018
Repair & Maintenance - Vehicles Factory	875,471	401,028
Repair & Maintenance - Others	134,465	352,558
Miscellaneous Expenses	151,250	322,485
Depreciation [Note-4]	13,617,218	15,247,008
Sub-Total	78,154,597	88,738,282
24.00 Administrative & General Expenses		
Directors' Remuneration	2,600,000	2,600,000
Salaries & Festival Bonus	7,814,581	8,725,269
Rent(Including VAT)	1,242,600	1,209,900
Electricity bill	269,955	392,932
Telephone & Fax	27,713	31,762
Mobile Phone Bill	272,475	273,820
Internet Bill	322,660	296,000
Photocopy & Stationery	348,376	435,253
Office Expenses	178,213	881,975
Newspaper & yearicals	9,780	9,735
Local Conveyance	190,756	499,573
Travelling Expenses	105,248	307,000
Fuel & Lubricants	230,641	165,605
Repair & Maintenance - Motor Vehicles H.O	820,865	711,786
Repair & Maintenance - Factory & H.O	1,166,657	1,352,700
Uniform & Liveries	21,700	16,702
Issue Manager Fee	-	2,180,000
Renewal & Registration	1,506,565	1,182,220
Miscellaneous Expenses	2,808,554	2,700,592
Entertainment	960,480	856,998
Audit Fees	115,000	200,000
Legal & Professional Fees	963,777	1,040,150
Provident Fund	560,730	67,950
IPO Expenses (24.01)	5,814,369	-
Depreciation [Note -4]	3,404,305	3,811,752
Total Taka	31,756,000	29,949,674

NATIONAL FEED MILL LIMITED

		Amount In Taka	
		31.12.2014	31.12.2013
24.01	IPO Expenses	5,814,369	-
	CDBL Fee	710,000	-
	DSE & CSE Listing Fee	2,110,000	-
	BSEC Consent Fee	270,000	-
	Post Issue Expenses	14,305,999	-
	Printing of Prospectus & Forms	999,000	-
	BUET Fee	550,000	-
	Publication of Prospectus	601,600	-
	Underwriting Commission	450,000	-
	Bankers to the Issue & Bokers Commission	7,175,818	-
	Hall Rent	428,200	-
	Entertainment	567,685	-
	Issue Manager Fee	435,000	-
	Stationery Expenses	143,296	-
	Interest on IPO Account # 1578	(22,932,229)	-
25.00	Selling & Distribution Expenses		
	Salaries, Allowances & Festival Bonus	3,201,125	2,848,493
	Overseas Travelling	720,500	1,526,500
	Carrying & Handling Charge (Outward)	1,750,820	2,905,726
	Business Promotion Expenses	1,522,210	1,071,872
	Mobile Phone Bill - Mktg. Executive	47,679	35,045
	Advertisement Expenses	264,000	60,188
	Total Taka	7,506,334	8,447,824
26.00	Financial Charges		
	Bank Charges & Commission	1,143,988	794,750
	Interest on Term Loan	10,440,045	12,795,931
	Interest on Lease Finance - PLFS	-	5,276,269
	Other Interest - PAD, LTR etc.	17,489,441	35,697,765
	Interest on CC Hypo	15,148,968	12,401,049
	Interest on Overdaft	3,595,655	2,416,442
	Interest on Time Loan	906,241	-
	Interest on Lease finance - IPDC	1,205,420	964,605
	Interest on Demand Loan	25,801,761	383,098
	Total Taka	75,731,519	70,729,909
27.00	Other Income		
	Interest Income (STD)	1,194	2,587
	Interest Income (FDR)	561,484	502,568
	Interest Income (Govt. Bond)	-	850,000
	Total	562,678	1,355,155
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 as per provisions of Bangladesh Labour Law, 2006.		
	Workers Profit Participation Fund	3,747,787	3,891,146
		3,747,787	3,891,146

NATIONAL FEED MILL LIMITED

	Amount In Taka	
	31.12.2014	31.12.2013
29.00 Earnings Per Share		
Net profit after tax	73,861,802	74,045,726
Weighted Average No. Of Share(29.01)	41,726,027	39,835,616
EPS on the basis of Weighted Average No. Of Share	1.77	1.86
29.01 Weighted Average Number Of Shares outstanding		
3,00,00,000 share for 365 days	-	30,000,000
4,00,00,000 share for 365 days	40,000,000	-
1,00,00,000 share for 359 days	-	9,835,616
1,80,00,000 share for 35 days	1,726,027	
	41,726,027	39,835,616
30.00 Production Capacity and Current Utilization as per Audit Report:		
Installed Capacity (in MT)	86,400.00	86,400.00
Actual Production (in MT)	44,159.555	44,152.915
	51.11%	51.10%
31.00 Net Assets Value Per Share (NAVPS)		
Share Capital	580,000,000	400,000,000
Retained Earnings	249,690,149	175,828,347
General Reserve	6,190,000	6,190,000
	835,880,149	582,018,347
No. of Shares	58,000,000	40,000,000
Net Assets Value Per Share (NAVPS)	14.41	14.55

32.00 Employee Position for National Feed Mill Limited (as at 31st December, 2014)

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	48	31	95	174
Total	48	31	95	174

33.00 Events after the Reporting Period

Subsequent to the Statement of Financial Position date, the Board of Directors in their meeting held on April 27 ,2015 recommend 10% Stock dividend existing share held at record date for the year ended 31 December 2014. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

33.00 Net Assets Value Per Share (NAV)

Share Capital	580,000,000	400,000,000
Retained Earnings	249,690,149	175,828,347
Share Money Deposit	-	-
General Reserve	6,190,000	6,190,000
	835,880,149	582,018,347
No. of Shares	58,000,000	40,000,000
Net Assets Value Per Share (NAV)	14.41	14.55

National Feed Mill Ltd.
Schedule of Property, Plant and Equipment as on 31 December 2014

Annexure "A"

Sl. No.	Particulars	Cost			Rate of Depr.	Depreciation		Written down value 31.12.2014
		Opening Balance	Addition during the Year	Balance as on 31.12.2014		Opening Balance	Charge during the year	
1	Freehold Land & Cost of Development	135,453,300	-	135,453,300	0%	-	-	135,453,300
2	Building & Other Construction	108,285,527		108,285,527	5%	22,821,836	4,273,185	81,190,506
3	Plant & Machinery	132,602,070		132,602,070	10%	59,211,573	7,339,050	66,051,447
4	Stand-By Diesel Generator	7,680,324		7,680,324	15%	4,178,146	525,327	2,976,851
5	Transport & Vehicles	29,870,705		29,870,705	15%	9,837,121	3,005,038	17,028,546
6	Electrical & Other Installation	7,976,500		7,976,500	15%	4,131,650	576,728	3,268,123
7	Furniture & Fixture	1,477,515	90,260	1,567,775	10%	708,293	79,450	780,032
8	Office Equipment	2,659,696	461,550	3,121,246	15%	1,106,606	250,465	1,764,176
9	Tools & Equipment	16,075,759		16,075,759	20%	11,226,563	969,839	3,879,357
10	Telephone & Others	65,000	14,000	79,000	10%	42,902	2,443	33,656
	Total Taka 31.12.2014	442,146,396	565,810	442,712,206		113,264,690	17,021,523	312,425,994
	Total Taka 31.12.2013	427,081,554	15,064,842	442,146,396		94,205,930	19,058,760	328,881,707

Allocation of Depreciation	Amount in Taka	
	2014	2013
Cost of Goods Sold 80% (Note-24.02.02)	13,617,218	15,247,008
Administrative Overhead 20% (Note-24)	3,404,305	3,811,752
Total Taka	17,021,523	19,058,760

NATIONAL FEED MILL LIMITED

Related party transactions

Note:07.01

Annexure "B"

During the year, the Company carried out a number of transaction with related parties in the normal course of business. The names of these related parties and nature of these transaction have been set out below in accordance with the provisions of BAS 24 : Related party disclosure.

Sl.	Name of Party	Nature of relationship	Nature of transaction	Opening Balance	Addition	Adjustment	Closing alance
1.00	National Petroleum Ltd.	Common directorship	Advance	337,150	5,000	342,150	-
2.00	Karnopur Agro Industries Ltd.	Common directorship	Advance against Raw Materials purchase & Feed making	6,676,312	174,056,954	174,440,794	6,292,472
3.00	National Electrode & Electronics Ltd.	Common directorship	Service provider	33,150,088	48,085,870	62,890,935	18,345,023
4.00	National Hatchery Ltd.	Common directorship	Advance against Raw Materials & Feed sale	80,945,780	264,965,250	290,451,442	55,459,588
5.00	Karnopur Hatchery Ltd.	Common directorship	Advance against Raw materials Purchase	637,061	2,056,000	580,000	2,113,061
		Total Taka :		121,746,391	489,169,074	528,705,321	82,210,144



NATIONAL FEED MILL LIMITED

Registered & Corporate Office

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Factory

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