

**AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
of  
Index Agro Industries Limited  
As at and for the year ended June 30, 2017  
House#34, Road#12, Block-k  
Baridhara Diplomatic Zone  
Dhaka-1212**

# Index Agro Industries Limited

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**Mahfel Huq & Co.**  
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## **INDEPENDENT AUDITOR'S REPORT To the Shareholder's of Index Agro Industries Limited**

We have audited the accompanying financial statements of Index Agro Industries Limited which comprise the Statement of Financial Position as at June 30, 2017 and Statement of Profit or Loss and other Comprehensive Income, Statements of Changes in Equity, Statements of Cash Flows, and a summary of significant accounting policies and other explanatory information for the year ended June 30, 2017.

### **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 (BFRSs), The Companies Act 1994, The Security and Exchange Rules 1987 and 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 errors; 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 (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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.



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### Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of the financial position of the Index Agro Industries Limited as at June 30, 2017 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, The Securities and Exchanges rules 1987 and other applicable laws and regulations.

### We further 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 accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the company's statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows dealt with by the report are in agreement with the books of accounts; and
- (d) the expenditure incurred was for the purposes of the Company's business.

Dated: Dhaka,  
September 12, 2017

Estd. 1974

**Mahfel Huq & Co.**  
Chartered Accountants



**Index Agro Industries Ltd.**  
**Statement of Financial Position**  
**As on June 30, 2017**

Particulars	Notes	Amount in Taka	Amount in Taka	Amount in Taka
		June 30, 2017	June 30, 2016	July 1, 2015
<b>Assets:</b>				
			<u>Restated</u>	<u>Restated</u>
<b>Non-Current Asset</b>		<b>945,858,871</b>	<b>980,774,218</b>	<b>784,843,910</b>
Property, Plant & Equipment	4.00	880,204,368	820,988,897	743,522,798
Capital Work in Progress	5.00	-	100,152,821	-
Parent Stock	6.00	65,654,503	59,632,500	41,321,112
<b>Investment</b>		<b>227,693,132</b>	<b>209,072,164</b>	<b>183,673,845</b>
Govt. Savings Certificate	7.00	73,187,958	66,370,958	54,276,598
Investment in Share	8.00	154,505,174	142,701,206	129,397,247
<b>Current Assets</b>		<b>1,083,008,043</b>	<b>1,004,872,609</b>	<b>923,674,127</b>
Inventories	9.00	374,525,635	494,248,926	564,277,954
Accounts Receivable	10.00	444,049,725	345,587,113	296,069,481
Advances, Deposits & Pre-Payments	11.00	84,191,574	75,124,955	22,689,597
Cash & Cash Equivalents	12.00	180,241,110	89,911,615	40,637,095
<b>Total Assets</b>		<b>2,256,560,046</b>	<b>2,194,718,991</b>	<b>1,892,191,882</b>
<b>Equity &amp; Liabilities</b>				
<b>Shareholders Equity</b>		<b>1,215,349,394</b>	<b>1,000,884,545</b>	<b>821,403,509</b>
Share Capital	13.00	390,000,000	390,000,000	390,000,000
Retained Earnings	14.00	783,412,484	566,740,430	384,936,019
Revaluation Reserve	15.00	41,936,909	44,144,115	46,467,489
<b>Non-Current Liabilities</b>		<b>96,866,282</b>	<b>167,917,358</b>	<b>186,325,799</b>
Long Term Loan	16.00	53,488,857	129,937,674	153,388,989
Deferred Tax Liability	28.00	43,377,425	37,979,684	32,936,811
<b>Current Liabilities</b>		<b>944,344,371</b>	<b>1,025,917,088</b>	<b>884,462,574</b>
Current Portion of Long Term Loan	17.00	25,201,824	75,899,674	92,665,426
Short Term Loan	18.00	723,572,317	741,032,393	627,025,359
Accounts payables	19.00	100,149,315	150,369,980	129,960,410
Provision for expenses	20.00	95,420,915	58,615,040	34,811,378
<b>Total Equity &amp; Liabilities</b>		<b>2,256,560,046</b>	<b>2,194,718,991</b>	<b>1,892,191,882</b>
<b>Net assets value per share (NAVPS)</b>	30.00	<b>31.16</b>	<b>25.66</b>	<b>21.06</b>

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

Chairman

Managing Director

Company Secretary

Chief Financial Officer

Signed as per our separate report on same date.

Mahfel Huq & Co.  
Chartered Accountants

Place: Dhaka;  
Dated: September 12, 2017





**Index Agro Industries Ltd.**  
**Statement of Profit or Loss and other Comprehensive Income**  
**For the year ended as on June 30, 2017**

Particulars	Notes	Amount in Taka			Amount in Taka
		Feed	Poultry & Hatchery	2016-2017	2015-2016
					<b>Restated</b>
Revenue	21.00	2,242,947,910	1,336,958,091	3,579,906,001	3,218,669,143
Less: Cost of Goods Sold	22.00	1,909,293,918	1,157,195,210	3,066,489,128	2,775,677,992
<b>Gross Profit:</b>		<b>333,653,992</b>	<b>179,762,880</b>	<b>513,416,873</b>	<b>442,991,151</b>
<b>Less: Operating Expenses</b>		<b>116,901,463</b>	<b>49,019,634</b>	<b>165,921,097</b>	<b>123,134,410</b>
Administrative expenses	23.00	32,024,466	8,632,319	40,656,786	43,429,416
Selling & distribution expenses	24.00	84,876,996	40,387,315	125,264,311	79,704,994
<b>Operating Profit</b>		<b>216,752,530</b>	<b>130,743,246</b>	<b>347,495,776</b>	<b>319,856,741</b>
<b>Add: Non-Operating Income</b>					
Other Income	25.00	6,817,000	-	6,817,000	5,244,360
<b>Less: Non-Operating Expenses/Loss</b>					
Financial expenses	26.00	110,297,552	125,677	110,423,229	125,852,250
<b>Net Profit before WPPF &amp; Tax</b>		<b>113,271,978</b>	<b>130,617,569</b>	<b>243,889,547</b>	<b>199,248,851</b>
Contribution to WPPF		5,393,904	6,219,884	11,613,788	9,488,041
<b>Operating Profit before Tax</b>		<b>107,878,074</b>	<b>124,397,685</b>	<b>232,275,759</b>	<b>189,760,810</b>
Share of Profit from Associate		-	-	11,803,968	13,303,959
<b>Net Profit before Tax</b>		<b>107,878,074</b>	<b>124,397,685</b>	<b>244,079,727</b>	<b>203,064,769</b>
<b>Income Tax Expenses</b>		<b>17,325,111</b>	<b>12,289,768</b>	<b>29,614,880</b>	<b>23,583,732</b>
Current Tax	27.00	13,126,869	11,090,271	24,217,139	18,540,858
Deferred Tax	28.00	4,198,242	1,199,498	5,397,740	5,042,874
<b>Net Profit/(Loss) after Tax</b>		<b>90,552,963</b>	<b>112,107,917</b>	<b>214,464,848</b>	<b>179,481,037</b>
<b>Basic earnings per share</b>	29.00			5.50	4.60
Earnings Per Share Par Value of Tk. 10/-					

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

Chairman

Managing Director

Company Secretary

Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;  
Dated: September 12, 2017

Mahfel Huq & Co.  
Chartered Accountants





**Index Agro Industries Limited**  
**Statement of Changes in Equity**  
**For the year ended on 30 June'2017**

Particulars	Amount in Taka			Total Amount
	Share capital	Retained Earnings	Revaluation Reserve	
Balance as at 1 July, 2016	390,000,000	566,740,430	44,144,115	1,000,884,545
Net Profit/(Loss) after Tax	-	214,464,848	-	214,464,848
Share of Associates profit/(Loss) During the year	-	-	-	-
Depreciation on Revalued Asset	-	2,207,206	(2,207,206)	-
<b>Balance as at June 30, 2017</b>	<b>390,000,000</b>	<b>783,412,483</b>	<b>41,936,909</b>	<b>1,215,349,392</b>

**Index Agro Industries Limited**  
**Statement of Changes in Equity**  
**For the year ended on 30 June'2016**

Particulars	Amount in Taka			Restated
	Share capital	Retained Earnings	Revaluation Reserve	Total Amount
Balance as at 1 July, 2015	390,000,000	385,075,583	46,467,489	821,543,072
Less : Adjustment for deferred Tax	-	(32,936,811)	-	(32,936,811)
Add : Prior year adjustment for profit from associates	-	32,797,247	-	32,797,247
Net Profit/(Loss) after Tax	-	179,481,037	-	179,481,037
Depreciation on Revaluation Asset	-	2,323,374	(2,323,374)	-
<b>Balance as at 30 June, 2016</b>	<b>390,000,000</b>	<b>566,740,430</b>	<b>44,144,115</b>	<b>1,000,884,545</b>

Chairman

Managing Director

Company Secretary

Chief Financial Officer

Signed as per our separate report on same date.

Mahfel Huq & Co.  
Chartered Accountants

Place: Dhaka;  
Dated: September 12, 2017





**Index Agro Industries Ltd.**  
**Statement of Cash Flows**  
**For the year ended on 30 June'2017.**

Particulars	Amounts in Taka	
	30 June'2017	30 June'2016
<b>Cash Flow from Operating Activities:</b>		
Cash Received from Turnover	3,481,443,389	3,169,151,511
Cash Paid to Suppliers	(2,663,343,316)	(2,523,779,701)
Cash Paid to employees	(175,223,772)	(131,971,876)
Cash Paid to others	(171,251,584)	(110,757,612)
Income Tax Paid	(13,471,164)	(17,160,314)
<b>Net Cash Provided by Operating Activities: (A)</b>	<b>458,153,553</b>	<b>385,482,008</b>
<b>Cash Flow from Investing Activities:</b>		
Purchase of Plant-machinery & Equipment	(37,602,378)	(92,665,994)
Purchase of Parent stock	(73,439,404)	(83,614,777)
Purchase of Govt. Savings Certificate	-	(16,000,000)
Disposal of Govt. Savings Certificate	-	9,150,000
Acquisition of Capital work in progress	(1,752,306)	(101,014,433)
<b>Net Cash Used by Investing Activities: (B)</b>	<b>(112,794,087)</b>	<b>(284,145,205)</b>
<b>Cash Flow from Financing Activities:</b>		
Net proceeds from Bank loan Long Term	(127,146,667)	(40,217,067)
Net proceeds from Bank loan Short Term	(17,460,076)	114,007,034
Financial charges	(110,423,229)	(125,852,250)
<b>Net Cash Used by Financing Activities: (C)</b>	<b>(255,029,971)</b>	<b>(52,062,283)</b>
<b>Net Cash inflow/ outflow( A+B+C)</b>	<b>90,329,495</b>	<b>49,274,520</b>
Cash & Cash equivalents at the beginning of the year	89,911,615	40,637,095
<b>Closing Cash &amp; Cash equivalents at the end of the year</b>	<b>180,241,110</b>	<b>89,911,615</b>
<b>Net Operating Cash Flows Per Share</b>	<b>32 11.75</b>	<b>9.88</b>

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

Chairman

Managing Director

Company Secretary

Chief Financial Officer

Signed as per our separate report on same date.

Place: Dhaka;  
Dated: September 12, 2017

**Mahfel Huq & Co.**  
Chartered Accountants







**Index Agro Industries Limited**  
**Notes to the Financial Statements**  
As at and for the year ended June 30, 2017

**1. Reporting entity:**

**1.01 Background of the company:**

Index Agro Industries Limited (the company) was incorporated in Bangladesh on 13 September, 2000 as a Private Company limited by shares under the Companies Act, 1994 having the registration no. C-41289(648)/2000. The company was converted as a Public Limited company by shares under the company Act, 1994 on 31.03.2015.

The registered office of the Company is situated at House-34, Road-12, Block-K, Baridhara Diplomatic Zone, Dhaka-1212. The factory office of the company is situated at 601/01, Block: N, Dhaka Mymensingh Road, Kathali, 09 no. Ward, Valuka for producing Bird & Fish Feed, Araisha Prasad, B.K. Bari, Sadar, Gazipur, Gazipur for producing DOC and Hatching Eggs, Vill: Rajghat, P.O: Durgapur, Upazila: Mithapukur, Dist: Rangpur for producing DOC, Dalil, Post office- Bhabanipur, Union- Bhabanipur, Sherpur, Bogra for producing Hatching Eggs.

**1.02 Nature of business:**

The principal activities of this Company are manufacturing and marketing of poultry feed, fish feed and producing Day Old Chicks (DOC).

**2. Basis of preparation and presentation of the financial statements:**

**2.01 Statement of compliance:**

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities & Exchange Rules, 1987 and other laws and regulations applicable in Bangladesh.

**2.02 Basis of measurement:**

All the elements of financial statements have been measured on "Historical Cost" basis which is one of the most commonly adopted basis as provided in "The Framework for the Preparation and Presentation of Financial Statements" issued by the Bangladesh Accounting Standards (BASs).

**2.03 Responsibility for preparation and presentation of financial statements:**

The Board of Directors is responsible for the preparation of financial statements under section 183 of the Companies Act, 1994, The Securities and Exchange Rules 1987 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the Bangladesh Accounting Standard (BASs).



**2.04 Use of estimates and judgment:**

The preparation of financial statements in conformity with BASs 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.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

**2.05 Functional and presentational currency and level of precision:**

The financial statements are prepared in Bangladesh Taka (Taka/Tk./BDT) which is the Company's both functional currency and presentational currency. All financial information is presented in Taka and has been rounded off to the nearest Taka.

**2.06 Reporting period:**

The reporting period of the Company covers from July 01, 2016 to June 30, 2017.

**2.07 Applicable accounting standards:**

The following BASs/BFRSs are applicable for the financial statements for the period under review:

- BAS - 1 Presentation of Financial Statements;
- BAS - 2 Inventories;
- BAS - 7 Statement of Cash Flows;
- BAS - 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- BAS - 10 Events after the Reporting Period;
- BAS - 12 Income Taxes;
- BAS - 16 Property, Plant and Equipment;
- BAS - 18 Revenues;
- BAS - 19 Employee Benefits
- BAS - 23 Borrowing Costs;
- BAS - 24 Related Party Disclosures;
- BAS - 28 Investments in Associates and Joint Ventures;
- BAS - 32 Financial Instruments: Presentation;
- BAS - 33 Earnings Per Share;
- BAS - 36 Impairment of Assets;
- BAS - 37 Provisions, Contingent Liabilities and Contingent Assets;
- BAS - 39 Financial Instruments: Recognition and Measurement;
- BFRS - 8 Operating Segments;





## 2.08 Components of the Financial Statements:

According to the Bangladesh Accounting Standards **BAS-1** "Presentation of Financial Statements" the complete set of Financial Statements includes the following components":

- \* Statement of Financial Position as at June 30,2017;
- \* Statement of Profit or Loss and other Comprehensive Income for the year ended June 30,2017;
- \* Statement of Changes in Equity for the year ended June 30,2017;
- \* Statement of Cash Flows for the year ended June 30,2017; and
- \* Accounting Policies and Explanatory Notes.

## 2.09 Going Concern:

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the management continues to adopt going concern basis in preparing the financial statements. The current credit resources and facilities of the Company provides sufficient fund to meet the present requirements of existing business.

## 3. Significant Accounting Policies:

The accounting policies set out below have been applied consistently through out the period presented in these financial statements.

### 3.01 Property, Plant and Equipment:

#### a) Recognition and Measurement:

In compliance with BAS-16 (Property, Plant and Equipment) items of property, plant and equipment (PPE), excluding land, are initially measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land is measured at cost. The cost of an item of PPE comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

#### b) Capitalization of Borrowing cost:

Borrowing costs that are directly attributable to the construction of plants are included in the cost of those plant & machinery in compliance with BAS-23: Borrowing Costs.

#### c) 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 maintaining cost on PPE are recognized in the Statement of Profit or Loss and other Comprehensive Income as incurred.



**d) Revaluation of Fixed Assets:**

Financial statements of the company have been prepared on historical cost price basis. However, the prices of Building & civil construction have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of the Company has decided to determine fair market value of the said assets through revaluation. KaziZahir& Co., Chartered Accountants has revalued the assets of the company as of 15.06.2011, following "current cost method". Such revaluation resulted in a valuation surplus aggregating Tk. 57,168,989.

**e) Depreciation:**

No depreciation has been charged on land, but depreciation is charged on land development worth Tk.25.59 million at 5% rate.

Depreciation is recognized in the Statement of Profit or Loss and other Comprehensive Income on a reducing balance method on all items of property, plant and equipment. Depreciation on addition of fixed assets charged when the assets are available for use.

The estimated useful rate of PPE for the current year as follows:

Name of the assets	As at 30 June, 2017 (in %)	As at 30 June, 2016 (in %)
Land	-	-
Land Development	5	-
Building & Civil construction	5	5
Poultry keeping equipment	10	10
Feed Mill Plant & Machinery	10	10
Factory equipment & appliances	10	10
Silo unit	10	10
Scaling & measuring equipment	10	10
Generator	10	10
Computer & automated system (F)	20	20
Computer & automated system (H/O)	20	20
Furniture	20	20
Cover van & Pickup	20	20
Exhaust fan	20	20
Motor bike	20	20
Electric Fan & Pump	20	20
Leased Motor vehicles	20	20

**f) Disposal of Property, Plant and Equipment:**

On disposal of Property, Plant and Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the comprehensive income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

**3.02 Advances, Deposits & Pre-payments:**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.





**3.03 Cash & Cash Equivalents:**

For the purpose of statement of financial position and Statement of Cash Flows, Cash in hand, demand notes, short term deposits and Bank balances represent cash and cash equivalents considering the BAS-1 “Presentation of Financial Statements” and BAS-7 “Statement of Cash Flows”, which provide that Cash and Cash equivalents are readily convertible to known amounts of Cash and are subject to an insignificant risk of changes in value and are not restricted as to use.

**3.04 Statement of Cash Flows:**

Statement of Cash Flow is prepared principally in accordance with BAS-7 “Statement of Cash Flows” and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of BAS-7 which provides that “Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method.

**3.05 Accounts Receivables:**

Accounts Receivables consist of unpaid bills receivables from enlisted dealer and unbilled revenue recognized at the reporting date.

**3.06 Inventories:**

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale. Inventories consists of maize, hatching eggs, poultry feed, store & spare parts and packing materials.

**3.07 Provisions:**

A provision is recognized on the reporting date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**3.08 Income tax:**

**Current Tax:**

As per SRO No – 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On first 1 million taka	3%
On next 2 million taka	10%
On remaining income	15%

As per SRO No – 199/2015, Income Tax Ordinance, 1984 (Ord. XXXVI of 1984) Sec 44 and Sub Sec (4) clause (b), reduced Income Tax has been imposed on income from pelleted feed as follows:

Particulars	Tax Rate
On first 1 million taka	Nil
On next 1 million taka	5%
On remaining income	10%

Tax on other income has been charged as per Finance Act, 2017.  
The Income Tax has been calculated on the basis of above circular.





**Deferred Tax:**

The company accounts for deferred tax as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred Tax is recognized for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

**3.09 Revenue recognition:**

In compliance with the requirements of BAS-18 "Revenues", revenue is recognized only when:

- \* The products are invoiced and dispatched to the customers; and
- \* The amount of revenue can be measured reliably

**3.10 Financial expenses:**

Financial expenses comprise interest expenses on bank loan. All borrowing costs are recognized in the Statement of Profit or Loss and other Comprehensive Income using effective interest method.

**3.11 Earnings per share:**

The Company presents basic and diluted (when applicable) earnings per share (EPS) data for its ordinary shares.

**a) Basic earnings per share:**

Basic earnings per share are calculated, dividing the profit or loss attributable to the ordinary shareholders of the Company by the weighted average number of ordinary share outstanding during the period.

**b) Diluted earnings per share:**

As there were no potential ordinary shares issued by the company, so no dilution is taken into effect.

**3.12 Employees' benefit:**

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following;

**a) Defined Contribution Plan (Provident Fund)**

The company has a registered provident fund scheme (Defined Contribution Plan) on 31.07.2012 for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 5% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.





**b) Short Term Employee Benefits**

Short-term employee benefits include wages, salaries, festival bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

**c) Contribution to Workers' Profit Participation and Welfare Funds**

This represents 5% of net profit after charging such expense by the company as per provisions of the Bangladesh Labor (amendment) Act, 2013 and is payable to workers as defined in the said law. The fund transfer is under process and will be paid after completion of necessary legal process.

**3.13 Events after the reporting period:**

As per BAS-10 Events after the reporting period that provide additional information about the Company's position at the date of financial position are reflected in the financial statements. Events after reporting period that are not adjusting event are disclosed in the notes when material.

**3.14 Operating Segment:**

Segment Results for years ended June 30, 2017 and 2016.

The Company's chief operating decision maker, together with other senior management personnel, currently focus their review financial information and the allocation of resources based on reporting of operating results, including revenues and operating income for the nature of the products. As such, the Company has concluded that its two nature of the business are its reportable segments.

The following is selected segment financial data for the periods indicated:

Particulars	June,30			June,30		
	2017			2016 (Restated)		
	Feed	Poultry & Hatchery	Total	Feed	Poultry & Hatchery	Total
Revenue	2,242,947,910	1,336,958,091	3,579,906,001	1,889,886,528	1,328,782,615	3,218,669,143
Interest expenses	106,757,221	-	106,757,221	110,972,728	12,330,303	123,303,031
Depreciation	37,767,732	16,186,171	53,953,903	31,768,489	13,615,067	45,383,556
Income Tax expenses	17,325,111	12,289,769	29,614,880	12,615,209	10,968,523	23,583,732
Net Profit before Tax	107,878,074	124,397,685	244,079,728 *	78,575,582	111,185,228	203,064,769 *

\* Including share of Profit from Associates.

Due to vary nature of business Total Non Current Asset, Total Non Current Liability, Total Assets and Total liabilities could not be allocated on the basis of segment wise operation.





### **3.15 Contingent Assets and Liabilities:**

A contingent asset is disclosed when it is a possible that asset arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent assets is disclosed as per BAS 37: "Provisions, Contingent Liabilities and Contingent Assets", where an inflow of economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

### **3.16 Impairment of Assets:**

All assets, except inventories and financial assets are assessed at the end of each reporting period to determine whether there is any indication that an asset may be impaired. If any such indication exists the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss. An impairment loss is recognized immediately in the Statement of Profit or Loss and other Comprehensive Income, unless the asset is carried at revalued amount in accordance with another standard.

### **3.17 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per BAS-39 "Financial Instruments Recognition and Measurement."

#### **Financial assets:**

Financial assets of the company include cash and cash equivalents, investments in share, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially in the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

#### **Financial Liabilities:**

Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligation are discharged or cancelled or expire.







### 3.18 Comparative

Financial statements are presented as BAS-1 "Presentation of Financial Statements" and previous year's figures have been restated due to changes in some accounting policies as per BAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

### 3.19 Re-arrangement:

Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors".

### Re-statement:

In finalizing the financial statements for the year ended June 30, 2017 some figures of previous period were restated to confirm the provisions of BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors". During the year the following accounting policies and errors have been rectified in compliance with BAS-8

Previously tax expenses had been charged on accounting profit applying tax rates prevailing in those respective years. From the financial year 2016-2017, the company recognized Deferred Tax in compliance with BAS 12 "Income Taxes" and calculated deferred tax liability. The prior year adjustment is also recognized in the Retained Earnings.

### Re-classification:

Previously Parent stock purchase was shown under Operating Activities, from the financial statement 2016-2017 parent stock purchase shown under investing Activities for the preparation of Statement of Cash Flows.

### 3.20 Capacity Utilization:

#### a). Feed Mill Division:

Installed production capacity	150000 MT
Actual production capacity	96000 MT
Actual production	84045 MT
Capacity Utilization	87.55 %

#### b). Poultry & Hatchery Division:

Installed production capacity	24 Million DOC (Day Old Chicks)
Actual production capacity	24 Million DOC (Day Old Chicks)
Actual production	22.80 Million DOC (Day Old Chicks)
Capacity Utilization	95 %



Particulars	Amount in Taka		Amount in Taka
	June 30, 2017	June 30, 2016	July 1, 2015
<b>4.00 Property, Plant &amp; Equipment: Tk. 880,204,368</b>			

This is made up as follows:

Particulars	Restated		
Opening balance-Cost	992,784,573	869,934,918	737,999,012
Add: Addition during the year	113,169,375	122,849,655	131,935,906
Add: Assets revaluation surplus	57,168,989	57,168,989	57,168,989
<b>Closing balance</b>	<b>1,163,122,937</b>	<b>1,049,953,562</b>	<b>927,103,907</b>
Less: Accumulated Depreciation as on 30.06.2016	(228,964,665)	(183,581,109)	(138,480,759)
Less: Depreciation charged during the year	(53,953,903)	(45,383,556)	(45,100,350)
<b>Written Down Value</b>	<b>880,204,368</b>	<b>820,988,897</b>	<b>743,522,798</b>

Detail of Property, Plant & Equipment is shown in Annexure A.

**5.00 Capital Work in Progress: Tk. 0**

This is made up as follows:

Particulars	Restated		
Opening balance	100,152,821	-	-
Add : Addition during the period	1,752,306	100,152,821	-
Less : Transfer during the period	(101,905,127)	-	-
<b>Closing balance</b>	<b>-</b>	<b>100,152,821</b>	<b>-</b>

Capital work in progress consists of imported SILO equipments and relevant construction works. Silo is used to preserve raw materials and maintain their quality. The silo equipments were imported on 28th July, 2015 but as the construction work relevant to the silo is still under process, the asset is considered as Capital work in progress.

**6.00 Parent Stock (Un-allocated revenue expenditure): Tk. 65,654,503**

This is made up as follows:

Particulars	Restated		
Opening balance	59,632,500	41,321,112	27,658,036
Add: Addition during the year	73,439,404	83,614,777	36,141,884
	<b>133,071,904</b>	<b>124,935,890</b>	<b>63,799,920</b>
Less: Amortized during the year	67,417,400	65,303,390	22,478,808
<b>Closing balance</b>	<b>65,654,503</b>	<b>59,632,500</b>	<b>41,321,112</b>

DOC of Parent stock cost and growing cost of raw materials before starting production are accumulated as unallocated revenue expenditure and amortize during the periods on the basis of production. It is assumed that per parent stock produces 180 hatching eggs during its lifetime.

**7.00 Govt. Savings Certificate : Tk. 73,187,958**

This is made up as follows:

Particulars	Restated		
Opening balance	66,370,958	54,276,598	36,701,328
Add: Savings certificate during the year	-	16,000,000	13,000,000
Less: Disposal	-	(9,150,000)	-
Add: Accrued interest	6,817,000	5,244,360	4,575,270
<b>Closing balance</b>	<b>73,187,958</b>	<b>66,370,958</b>	<b>54,276,598</b>





**8.00 Investment in Share: Tk. 154,505,174**

This is made up as follows:

**Particulars**

		Restated	Restated
Opening Balance	142,701,206	129,397,247	96,600,000
Add : Addition during the year	11,803,968	13,303,959	32,797,247
<b>Total Closing Investment in Share</b>	<b>154,505,174</b>	<b>142,701,206</b>	<b>129,397,247</b>

The company has invested tk. 96,600,000 for 966,000 share @ tk. 100 each (24.39 % of total shares) to X-Ceramics Limited, an associate company, as per approval taken from RJSC. X-Ceramics Limited has not yet declared any dividend.

**9.00 Inventories: Tk. 374,525,635**

This is made up as follows:

**Particulars**

			30.06.2016	01.07.2015
Raw material	Notes-09.01	298,172,908	389,455,829	473,632,254
Finished goods	Notes-22.00	31,818,171	39,108,603	31,570,897
Spares parts	Notes-22.04	30,819,302	48,501,873	44,439,980
Packing materials	Notes-22.05	13,715,254	17,182,621	14,634,823
<b>Total:</b>		<b>374,525,635</b>	<b>494,248,926</b>	<b>564,277,954</b>

**9.01 Raw Material: Tk. 298,172,908**

Particulars	30.06.2017			30.06.2016	01.07.2015
	Qty	Rate/kg	Amount (Tk.)	Amount (Tk.)	Amount (Tk.)
Base Materials	6,502,572	31.52	204,961,066	237,068,227	371,183,275
Additives	754,642	44.00	33,204,269	61,006,801	30,668,450
Vitamin Mineral Premix	75,318	261.09	19,664,738	34,070,199	25,694,160
Amino Acid	67,590	287.56	19,436,217	28,402,766	26,829,560
Anti-Coccidial Drug	3,621	456.28	1,652,326	2,408,424	1,119,521
Enzyme	3,848	518.36	1,994,864	2,631,671	641,985
Mould Inhibitor	10,094	229.70	2,318,611	3,189,349	3,491,152
Toxin Binder	12,707	395.72	5,028,230	6,196,224	3,119,887
<b>Total RM for Feed</b>	<b>7,430,393</b>		<b>288,260,321</b>	<b>374,973,661</b>	<b>462,747,990</b>
<b>Hatchable Eggs</b>	<b>193,492</b>	<b>51.23</b>	<b>9,912,587</b>	<b>14,482,168</b>	<b>10,884,264</b>
<b>Total</b>			<b>298,172,908</b>	<b>389,455,829</b>	<b>473,632,254</b>

**10.00 Accounts Receivable: Tk. 444,049,725**

This is made up as follows:

**Particulars**

Trade Receivables	444,049,725	345,587,113	296,069,481
<b>Total:</b>	<b>444,049,725</b>	<b>345,587,113</b>	<b>296,069,481</b>

**Aging of Accounts Receivables:**

Dues over six months		-	-
Less than six months	444,049,725	345,587,113	296,069,481
<b>Total:</b>	<b>444,049,725</b>	<b>345,587,113</b>	<b>296,069,481</b>



The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Receivables considered good in respect of which the company is fully secured		-	-
Receivables considered good in respect of which the company holds no security other than the debtor personal security	444,049,725	345,587,113	296,069,481
Receivables considered doubtful or bad		-	-
Receivable to Directors		-	-
Receivables due by common management		-	-
Maximum amount of receivable due by any director or other officer of the company		-	-
<b>Total:</b>	<b>444,049,725</b>	<b>345,587,113</b>	<b>296,069,481</b>

The amount of receivable is lying with various enlisted/authorized dealers of the company. Trade receivables have been stated at their nominal value. Trade receivables are accrued in the ordinary course of business. The above amounts are secured by debtors' personal security and considered good. Therefore no provision was made for bad debt during the year. No amount was due by the Directors (including Managing Director) or any other official of the company.

**11.00 Advances, Deposits & Pre-payments: Tk. 84,191,574**

This is made up as follows:

**Particulars**

Advance to employees	3,635,732	978,507	1,168,976
Advance to suppliers and others	21,354,128	9,626,077	8,294,670
Advance Income Tax	28,467,979	14,996,815	-
L/C Margin for goods	30,733,735	45,678,025	10,242,032
L/C Margin for Capital Machinery	-	3,845,531	2,983,919
<b>Total:</b>	<b>84,191,574</b>	<b>75,124,955</b>	<b>22,689,597</b>

All the Advance & Deposits amounts are considered as good and Recoverable.

**12.00 Cash & Cash Equivalents: Tk. 180,241,110**

This is made up as follows:

**Particulars**

Cash in hand	9,364,488	8,806,372	23,479,327
Cash at Bank	170,876,622	81,105,243	17,157,768
<b>Total:</b>	<b>180,241,110</b>	<b>89,911,615</b>	<b>40,637,095</b>

Notes-12.01





**12.01 Cash at Bank: Tk. 170,876,622**

This is made up as follows:

**Particulars**

Prime Bank Ltd., Mohakhali branch, A/C No. 11011080000098  
Agrani Bank, Mohakhali branch, A/C no. 9612  
United Commercial Bank, Gulshan branch, A/C No. 22813  
HSBC, A/C No. 001-211192-012  
Islami Bank BD. Ltd., Gulshan br, A/C No. 2050177090005217  
National Bank Ltd. Bhaluka branch, A/C No. 33012821  
National Bank Ltd. Banani branch, A/C No. 0010633004722  
National Bank Ltd. A/C No. 33007854  
Bangladesh Krishi Bank, A/C No. 200006084  
Sonal Bank Ltd. A/C No. 11633003631  
Shahjalal Islami Bank Ltd., Gulsan branch, A/C No.11100009871  
Brac Bank Limited, A/C No. 1526102452838001  
Brac Bank Limited, A/C No. 1526202135581001  
Rupali Bank Ltd., Gulshan branch, A/C No. 200011942  
Trust Bank, A/C No. 0052-0210000334  
Islami Bank BD. Ltd., A/C No. 20501770100374704  
Bangladesh Krishi Bank, A/c No. 27  
National Bank Ltd., Banani branch, A/C No. 0106-36000603  
Prime Bank Ltd., A/C No. 11031090019930  
Basic Bank Limited, Gulsan branch, A/C No. 2110-01-0005852  
National Bank Ltd., A/C No.33009267  
BDBL, Karwan bazar br Bank A/C No. 200003063  
Janata Bank Ltd., Rajarbagh branch, A/C No. 031933008436  
Pubali Bank Ltd., A/C No.056590127061  
Sonal Bank Ltd., A/C No. 11636000361  
Social Islami Bank Limited- 0161330012378  
Islami Bank (BD) Ltd. - 20502130100209004  
Exim Bank Ltd. A/C # 00713100612843

7,266,497	10,576,155	2,410,914
7,198,714	3,022,081	227,750
7,290,298	2,769,193	23,578
21,737	994,427	2,307,460
21,198,007	6,526,396	1,400,585
4,342,929	2,514,300	54,988
22,392,838	6,542,889	813,936
3,889,655	-	-
3,889,655	1,920,197	135,153
17,514,133	2,525,481	1,385,858
8,360,259	3,097,956	24,703
978,049	1,565,225	567,205
2,054,756	4,370,906	205,845
3,688,060	5,360,744	1,096,395
3,585,435	2,194,194	740,583
1,526,027	3,319,006	773,956
338,071	4,987,815	573,275
1,826,727	3,352,967	38,085
44,340	754,099	471,000
1,594,678	4,241,455	50,388
132,159	22,236	326,007
48,860	50,655	50,655
5,958,470	399,563	1,065,295
7,037,002	4,314,347	1,691,997
9,452,388	1,534,983	722,157
41,144	44,054	-
26,385,787	4,103,919	-
2,819,949		
<b>170,876,622</b>	<b>81,105,243</b>	<b>17,157,768</b>

**13.00 Share Capital: Tk. 390,000,000**

This is made up as follows:

**Particulars**

**Authorized Capital :**

100,000,000 ordinary shares @ Tk.10/ each

**1,000,000,000      1,000,000,000      1,000,000,000**

**Issued, Subscribed and Paid-up Capital:**

39,000,000 ordinary shares @ Tk.10/ each

Bonus Share

**Total:**

390,000,000	390,000,000	100,000,000
		290,000,000
<b>390,000,000</b>	<b>390,000,000</b>	<b>390,000,000</b>

As per letter no. SEC/CI/CPLC (Pvt.)-592/2014/61 dated February 3, 2015 issued by Bangladesh Securities and Exchange Commission, the Company issued 29,000,000 bonus shares to its existing shareholders on 08.02.2015.





The composition of share holdings as on balance sheet date were as follows:

Name of Shareholders	30.06.2017			30.06.2016	01.07.2015
	%	Number of Shares	Amount (Tk.)	Amount (Tk.)	Amount (Tk.)
Index Holdings Limited	25.00%	9,750,000	97,500,000	97,500,000	97,500,000
Index Construction Limited	10.00%	3,900,000	39,000,000	39,000,000	39,000,000
Index Poultry (Pvt.) Limited	20.00%	7,800,000	78,000,000	78,000,000	78,000,000
Md. Mazherul Quader	10.00%	3,900,000	39,000,000	39,000,000	39,000,000
Mahin Bin Mazher	10.00%	3,900,000	39,000,000	39,000,000	39,000,000
Mrs. Khurshid Mazher	5.00%	1,950,000	19,500,000	19,500,000	19,500,000
Mrs. Esha Rahman	5.00%	1,950,000	19,500,000	19,500,000	19,500,000
Mehzabin Binte Mazher	5.00%	1,950,000	19,500,000	19,500,000	19,500,000
Ismat Ara Quader	1.00%	390,000	3,900,000	3,900,000	3,900,000
Shakina Quader	1.00%	390,000	3,900,000	3,900,000	3,900,000
Shamia Afrin	1.00%	390,000	3,900,000	3,900,000	3,900,000
Abdullah Daiyan Bin Anwar	1.00%	390,000	3,900,000	3,900,000	3,900,000
Mohammad Murtoza Ali Quader	1.00%	390,000	3,900,000	3,900,000	3,900,000
Nanjiba Zahin	1.00%	390,000	3,900,000	3,900,000	3,900,000
Rume Rahman	1.00%	390,000	3,900,000	3,900,000	3,900,000
Abdullah Mohammad Sadi	1.00%	390,000	3,900,000	3,900,000	3,900,000
Abdullah Mohammad Jami	1.00%	390,000	3,900,000	3,900,000	3,900,000
Md. Mamunur Rashid	1.00%	390,000	3,900,000	3,900,000	3,900,000
<b>Total:</b>	<b>100%</b>	<b>39,000,000</b>	<b>390,000,000</b>	<b>390,000,000</b>	<b>390,000,000</b>

**14.00 Retained Earnings: Tk. 783,412,484**

This is made up as follows:

**Particulars**

Opening balance  
Adjustment for deferred Tax  
Profit during the year  
Depreciation against building Revaluation  
Add : Prior year adjustment for profit from associates  
Closing balance

	Restated 30.06.2016	Restated 01.07.2015
566,740,430	384,936,019	385,075,583
214,464,848	179,481,037	(32,936,811)
2,207,206	2,323,374	-
	-	32,797,247
<b>783,412,484</b>	<b>566,740,430</b>	<b>384,936,019</b>

**15.00 Revaluation Reserve: Tk. 41,936,909**

This is made up as follows:

**Particulars**

Opening balance  
Less: Depreciation on Building Revaluation  
Closing balance

		Restated
44,144,115	46,467,489	48,913,147
(2,207,206)	(2,323,374)	(2,445,657)
<b>41,936,909</b>	<b>44,144,115</b>	<b>46,467,489</b>





**16.00 Long Term Loan: Tk. 53,488,857**

This is made up as follows:

**Particulars**

Industrial Promotion & Development Company  
HSBC  
United Leasing Company Ltd.  
IDLC Finance Limited  
Eastern Bank Limited  
Islami Bank Bangladesh Limited

-	10,980,605	36,716,928
-	-	13,288,282
-	63,694,687	100,635,750
-	55,606,222	77,672,924
-	-	17,740,531
78,690,681	75,555,833	-
<b>78,690,681</b>	<b>205,837,348</b>	<b>246,054,415</b>
25,201,824	75,899,674	92,665,426
<b>53,488,857</b>	<b>129,937,674</b>	<b>153,388,989</b>

Less: Current portion of long term loan  
**Total**

**17.00 Current Portion of Long Term Loan: Tk. 25,201,824**

This is made up as follows:

**Particulars**

Industrial Promotion & Development Company  
HSBC  
United Leasing Company Ltd.  
IDLC Finance Limited  
Islami Bank Bangladesh Limited  
**Total:**

-	8,658,543	22,536,609
-	-	13,282,283
-	35,136,822	37,852,671
-	22,265,951	18,993,863
25,201,824	9,838,358	-
<b>25,201,824</b>	<b>75,899,674</b>	<b>92,665,426</b>

**18.00 Short Term loan : Tk. 723,572,317**

This is made up as follows:

**Particulars**

HSBC (Loan against Trust Receipts)  
HSBC (CC A/C # 001-211192-011)  
Brac Bank Ltd. (LATR)  
Brac Bank Ltd. (RL)  
Eastern Bank Ltd (STL)  
Eastern Bank Ltd (LATR)  
Eastern Bank Ltd (CC A/c # 1012040353930)  
Islami Bank Bangladesh Limited (LATR)  
Islami Bank Bangladesh Limited (TR)  
**Total:**

-	-	26,048,317
-	-	31,920,393
-	-	285,851,342
-	-	133,895,913
-	-	90,192,900
-	-	34,458,919
-	-	24,657,575
38,992,017	384,024,943	-
684,580,300	357,007,450	-
<b>723,572,317</b>	<b>741,032,393</b>	<b>627,025,359</b>

**The details of Mortgage against the loan is as under:**

Nature: Short Term Loan

Name of the Bank: Islami Bank Bangladesh Limited

Security: Project land, buildings, machinery, stock, demand promissory note & personal guarantee of all directors.

**19.00 Accounts Payable : Tk. 100,149,315**

This is made up as follows:

**Particulars**

Creditor for local goods  
Other creditors  
Creditors for land purchase

98,790,705	118,554,462	128,215,111
1,358,610	1,631,857	1,745,299
-	30,183,661	-
<b>100,149,315</b>	<b>150,369,980</b>	<b>129,960,410</b>

**Aging of Accounts Payable:**

Dues over six months but within one year  
Less than six months

24,273,186	36,090,688	4,010,135
75,876,128	114,279,292	125,950,275
<b>100,149,315</b>	<b>150,369,980</b>	<b>129,960,410</b>

**Total:**





All the trade payables were paid on regular basis.

**20.00 Provision & Liabilities for Expenses: Tk. 95,420,915**

This is made up as follows:

<u>Particulars</u>			<u>Restated</u>
Salaries & allowance	3,913,024	3,490,377	6,986,280
Gas bill payable	433,941	351,173	214,310
Electricity bill	3,078,307	2,733,944	1,679,804
P.F Employer's contribution	571,303	446,133	202,970
Provision for income tax	51,882,635	27,665,496	11,288,136
Provision for WPPF and Welfare Fund	35,426,705	23,812,917	14,324,877
Audit fees	115,000	115,000	115,000
<b>Total:</b>	<b>95,420,915</b>	<b>58,615,040</b>	<b>34,811,377</b>

- a) All accrued expenses were paid on regular basis
- b) Salary & allowances for the month of June, 2016 has been paid in subsequent month.

**20.01 Provision for Income Tax : Tk. 51,882,635**

This is made up as follows:

<u>Particulars</u>			<u>Restated</u>
Opening Balance	27,665,496	11,288,136	1,345,584
Add: Addition during the year	24,217,139	18,540,858	2,048,295
	<b>51,882,635</b>	<b>29,828,995</b>	<b>12,633,720</b>
Less: Payment made during the year	-	2,163,499	1,345,584
Closing balance	<b>51,882,635</b>	<b>27,665,496</b>	<b>11,288,136</b>

**20.02 Provision for WPPF and Welfare Fund: Tk. 35,426,705**

This is made up as follows:

<u>Particulars</u>			<u>Restated</u>
Opening balance	23,812,917	14,324,877	6,351,208
Add: Addition made during the year	11,613,788	9,488,041	7,973,669
	<b>35,426,705</b>	<b>23,812,917</b>	<b>14,324,877</b>
Less: Payment made during the year	-	-	-
Closing balance	<b>35,426,705</b>	<b>23,812,917</b>	<b>14,324,877</b>

The balance represents contribution to Workers' Profit Participation Fund by the Company in accordance with Labor Act (Amendment), 2013 for the year ended June 30, 2016







Particulars	Amount in Taka			Amount in Taka
	Feed	Poultry & Hatchery	Total 2016-2017	Total 2015-2016
<b>21.00 Revenue: Tk. 3,579,906,001</b>				
This is made up as follows:				
<b>Particulars</b>				
Revenue from Feed sales	2,242,947,910		2,242,947,910	1,889,886,528
Revenue from DOC sales		1,336,958,091	1,336,958,091	1,328,782,615
<b>Total:</b>	<b>2,242,947,910</b>	<b>1,336,958,091</b>	<b>3,579,906,001</b>	<b>3,218,669,143</b>

Particulars	30.06.2017			30.06.2016
	Qty	Unit	Rate/Unit	Amount in Taka
<b>Revenue from Feed sales</b>				
X Feed	61,061,849	Kg	26.08	1,592,493,016
Gold Ring	23,263,766	Kg	27.96	650,454,894
<b>Total Revenue from Feed</b>	<b>84,325,615</b>			<b>2,242,947,910</b>
<b>Revenue from DOC sales</b>	<b>22,803,310</b>	Pcs	58.63	<b>1,336,958,091</b>
<b>Total:</b>	<b>22,803,310</b>			<b>3,579,906,001</b>

**22.00 Cost of Goods Sold: Tk. 3,066,489,128**

This is made up as follows:

**Particulars**

Raw Materials consumption (Note-22.01)  
Direct labor (Notes-22.02)  
Factory overhead (Notes-22.03)

Raw Materials consumption	1,727,622,626	1,009,639,847	2,737,262,473	2,542,481,121
Direct labor	39,478,319	10,338,112	49,816,431	48,263,876
Factory overhead	134,902,541	137,217,251	272,119,792	192,470,701
<b>Cost of Production</b>	<b>1,902,003,486</b>	<b>1,157,195,210</b>	<b>3,059,198,696</b>	<b>2,783,215,698</b>
Add: Opening Stock of Finished Goods	39,108,603	-	39,108,603	31,570,897
<b>Cost of Goods available for Sale</b>	<b>1,941,112,089</b>	<b>1,157,195,210</b>	<b>3,098,307,299</b>	<b>2,814,786,595</b>
Less: Closing Stock of Finished Goods	31,818,171	-	31,818,171	39,108,603
<b>Cost of Goods Sold:</b>	<b>1,909,293,918</b>	<b>1,157,195,210</b>	<b>3,066,489,128</b>	<b>2,775,677,992</b>

**22.01 Raw Materials Consumed: Tk. 2,737,262,473**

This is made up as follows:

**Particulars**

Opening inventory of raw materials  
Add: Purchase during the year  
Add: Carriage inwards

Opening inventory of raw materials	374,973,661	14,482,168	389,455,829	473,632,254
Add: Purchase during the year	1,640,909,285	1,004,097,676	2,645,006,961	2,458,076,709
Add: Carriage inwards	-	972,591	972,591	227,987
	<b>2,015,882,946</b>	<b>1,019,552,434</b>	<b>3,035,435,381</b>	<b>2,931,936,950</b>
Less: Closing inventory of raw materials	288,260,321	9,912,587	298,172,908	389,455,829
<b>Total:</b>	<b>1,727,622,626</b>	<b>1,009,639,847</b>	<b>2,737,262,473</b>	<b>2,542,481,121</b>

**22.02 Direct Labor : Tk. 49,816,431**

This is made up as follows:

**Particulars**

Worker wages  
Casual worker wages  
**Total:**

Worker wages	34,975,120	7,028,665	42,003,785	38,461,407
Casual worker wages	4,503,199	3,309,447	7,812,646	9,802,469
<b>Total:</b>	<b>39,478,319</b>	<b>10,338,112</b>	<b>49,816,431</b>	<b>48,263,876</b>

**22.03 Factory Overhead: Tk. 272,119,792**

This is made up as follows:

**Particulars**

Power, light & heat  
Repair, maintenance & indirect materials  
Spare parts consumption (Notes-22.04)  
Factory salaries & allowances  
Employer's contribution to provident fund  
Stationery  
Insurance  
Telecommunication  
Depreciation on factory assets  
Amortization of parent stock  
Packing materials consumption (Notes-22.05)  
Other production overhead  
Fuel for Vehicles (Factory)  
Tour & Travelling Expenses (Factory)  
Entertainment Expenses (Factory)  
Medical Expenses  
Other Factory Supplies  
**Total:**

Power, light & heat	43,113,751	12,982,418	56,096,169	39,251,079
Repair, maintenance & indirect materials	5,096,031	452,877	5,548,909	2,916,710
Spare parts consumption	18,498,816	-	18,498,816	10,290,812
Factory salaries & allowances	22,736,536	28,784,603	51,521,138	23,345,092
Employer's contribution to provident fund	211,329	176,049	387,377	442,377
Stationery	403,497	374,265	777,762	135,409
Insurance	477,160	935,262	1,412,422	1,519,511
Telecommunication	105,915	191,491	297,406	140,376
Depreciation on factory assets	37,380,433	16,150,571	53,531,004	44,881,155
Amortization of parent stock	-	67,417,400	67,417,400	65,303,390
Packing materials consumption	1,857,778	1,609,589	3,467,367	2,146,452
Other production overhead	1,847,633	1,916,168	3,763,801	158,115
Fuel for Vehicles (Factory)	38,898	32,062	70,960	8,887
Tour & Travelling Expenses (Factory)	250,883	329,379	580,262	699,174
Entertainment Expenses (Factory)	1,334,620	1,623,308	2,957,927	1,041,212
Medical Expenses	120,464	122,558	243,022	63,196
Other Factory Supplies	1,428,798	4,119,249	5,548,047	127,754
<b>Total:</b>	<b>134,902,541</b>	<b>137,217,251</b>	<b>272,119,792</b>	<b>192,470,701</b>



Particulars	Amount in Taka			Amount in Taka
	Feed	Poultry & Hatchery	Total 2016-2017	Total 2015-2016

**22.04 Spare Parts Consumption: Tk. 18,498,816**

This is made up as follows:

**Particulars**

Opening Inventory of Spare Parts	48,501,873	-	48,501,873	44,439,980
Add: Purchased during the year	816,245	-	816,245	14,352,706
	<b>49,318,118</b>	<b>-</b>	<b>49,318,118</b>	<b>58,792,686</b>
Less: Closing Inventory of Spare Parts	30,819,302	-	30,819,302	48,501,873
<b>Total:</b>	<b>18,498,816</b>	<b>-</b>	<b>18,498,816</b>	<b>10,290,812</b>

**22.05 Packing Materials Consumption: Tk. 3,467,367**

This is made up as follows:

**Particulars**

Opening Inventory of Packing Materials	10,352,899	6,829,722	17,182,621	14,634,823
Add: Purchased during the year	-	-	-	4,694,250
	<b>10,352,899</b>	<b>6,829,722</b>	<b>17,182,621</b>	<b>19,329,073</b>
Less: Closing Inventory of Packing Materials	8,495,121	5,220,133	13,715,254	17,182,621
<b>Total:</b>	<b>1,857,778</b>	<b>1,609,589</b>	<b>3,467,367</b>	<b>2,146,452</b>

**23.00 Administrative Expenses: Tk. 40,656,786**

This is made up as follows:

**Particulars**

Salaries & allowances	20,665,645	5,058,672	25,724,317	29,841,591
Employer's contribution to provident fund	185,965	259,530	445,494	267,724
Stationery	5,703	256,717	262,419	267,986
Registration & renewals	4,115	199,464	203,579	344,433
Charity, subscription and renewals	1,702,584	139,754	1,842,338	787,818
Business promotional expense	338,930	629,007	967,936	3,028,020
Courier & postage	17,926	64,660	82,586	36,338
Entertainment	39,511	14,764	54,275	107,421
Corporate overhead expenses	7,251,917	1,130,494	8,382,411	3,779,572
Telecommunication	3,759	76,866	80,625	71,367
Fuel for vehicles	56,184	91,923	148,107	636,820
Depreciation expenses	87,440	27,413	114,854	117,344
Travelling expenses	426,233	-	426,233	650,295
Maintenance & others	1,092,604	629,109	1,721,713	2,677,687
Audit fees	115,000	-	115,000	115,000
Consultancy & professional expenses	30,952	53,946	84,898	700,000
<b>Total:</b>	<b>32,024,466</b>	<b>8,632,319</b>	<b>40,656,786</b>	<b>43,429,416</b>

**24.00 Selling & Distribution Expenses: Tk. 125,264,311**

This is made up as follows:

**Particulars**

Salaries & allowances	37,465,619	7,192,932	44,658,551	26,422,852
Employer's contribution to provident fund	309,145	251,911	561,056	326,094
Fuel for vehicles	111,665	20,494	132,159	250,000
Repair & maintenance	270,196	23,708	293,905	18,000
Transportation expenses	4,912	6,430	11,341	-
Marketing incentives	2,681,021	-	2,681,021	142,576
Travelling expenses	1,367,274	167,051	1,534,325	1,513,062
DOC mortality compensation	-	32,278,042	32,278,042	125,000
Entertainment expenses	41,442	23,623	65,064	57,606
Marketing promotional expenses	174,843	57,296	232,139	154,300
Toll & Fare expenses	391,708	208,069	599,778	190,039
Telecommunication	3,314	34,727	38,042	20,000
Depreciation expenses	299,859	8,186	308,046	385,057
Depot expenses	41,733,147	-	41,733,147	49,331,196
Maintenance & others	16,893	114,846	131,739	758,393
Medical Expenses (S&M)	5,957	-	5,957	10,819
<b>Total:</b>	<b>84,876,996</b>	<b>40,387,315</b>	<b>125,264,311</b>	<b>79,704,994</b>

Management has taken a decision to compensate mortality expenses from the year 2016-2017. Earlier the expenses were born by the retail purchaser other than carrying mortality.



Particulars	Amount in Taka			Amount in Taka
	Feed	Poultry & Hatchery	Total 2016-2017	Total 2015-2016

**25.00 Other Income: Tk. 6,817,000**

This is made up as follows:

**Particulars**

Income from 5 years sanchaypatra  
Total:

6,817,000	-	6,817,000	5,244,360
<b>6,817,000</b>	<b>-</b>	<b>6,817,000</b>	<b>5,244,360</b>

**26.00 Financial Expenses: Tk. 110,423,229**

This is made up as follows:

**Particulars**

Interest on overdraft  
Interest on term Loan  
Interest on working capital  
Interest for leasing institutions  
Bank service charges  
Total:

-	-	-	4,595,438
8,136,930	-	8,136,930	5,681,815
88,308,924	-	88,308,924	87,004,147
10,311,367	-	10,311,367	26,021,631
3,540,331	125,677	3,666,008	2,549,219
<b>110,297,552</b>	<b>125,677</b>	<b>110,423,229</b>	<b>125,852,250</b>

**27.00 Current Tax Expenses: Tk. 24,217,139**

This is made up as follows:

**Particulars**

Current tax expense

13,126,869	11,090,271	24,217,139	18,540,858
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Total:

<b>13,126,869</b>	<b>11,090,271</b>	<b>24,217,139</b>	<b>18,540,858</b>
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**28.00 Deferred Tax : Tk. 43,377,425**

Carrying Value  
Tax Base  
Temporary Difference  
Tax rate  
Deferred tax Liability(Closing balance)  
Deferred tax Liability(Opening balance)  
Deferred tax for current year

	30.06.2017		30.06.2016	
	Feed	P & H	Feed	P & H
Carrying Value	616,143,058	264,061,310	574,692,228	246,296,669
Tax Base	391,223,079	167,667,034	377,760,531	161,897,371
Temporary Difference	224,919,979	96,394,277	196,931,697	84,399,299
Tax rate	15%	10%	15%	10%
Deferred tax Liability(Closing balance)	33,737,997	9,639,428	29,539,754	8,439,930
Deferred tax Liability(Opening balance)	29,539,754	8,439,930	25,617,519	7,319,291
Deferred tax for current year	4,198,242	1,199,498	3,922,235	1,120,639
<b>Total Deferred Tax</b>		<b>43,377,425</b>		<b>37,979,684</b>

**29.00 Earning Per Share (EPS): Tk. 5.50**

This is made up as follows:

**Particulars**

The computation of EPS is given below:  
Earning attributable to the shareholders (net profit after tax)  
Number of shares outstanding during the year  
Basic earnings per share (EPS)

214,464,848	179,481,037
39,000,000	39,000,000
<b>5.50</b>	<b>4.60</b>





Particulars	Amount in Taka			Amount in Taka
	Feed	Poultry & Hatchery	Total 2016-2017	Total 2015-2016

**30.00 Net Asset Value (NAV) Per Share: 31.16**

This is made up as follows:

**Particulars**

The computation of NAV is given below:

Total Asset		2,256,560,046	2,194,718,991
Less: Current Liabilities		944,344,371	1,025,917,088
Less: Non Current Liabilities		96,866,282	167,917,358
<b>Net assets</b>		<b>1,215,349,394</b>	<b>1,000,884,546</b>
Number of shares outstanding during the year		39,000,000	39,000,000
<b>Net asset value (NAV) per share</b>		<b>31.16</b>	<b>25.66</b>

**31.00 Manpower Information: 898**

Manufacturing employees	130	210	340	315
Workers	160	239	399	408
Other Employees (Accounts, Marketing, SCM, HR etc.)	109	50	159	142
<b>Total</b>	<b>399</b>	<b>499</b>	<b>898</b>	<b>865</b>

**32.00 Net Operating Cash Flows Per Share**

Net Operating Cash Flows	458,153,553	385,482,008
Number of Shares	39,000,000	39,000,000
	<b>11.75</b>	<b>9.88</b>

**33.00 As per BAS 24: Disclosure of key management personnel compensation:**

Not paid any Short-term employee benefits;  
Not Paid any post-employment benefits;  
Not Paid any other long term benefits;  
Not Paid any termination benefits; and  
Not paid any share-based payment



**Index Agro Industries Ltd.**  
Schedule of Property, Plant & Equipments  
As on June 30, 2017

Annexure - A

Particulars	Cost		Rate of Dep.	Depreciation			Written down value as on June 30, 2017
	As on July 01, 2016	Addition during the year		As on June 30, 2017	Original Cost		
					As on July 01, 2016	Charged during the year	
Land	182,565,931	-	0%	-	-	-	182,565,931
Land development	25,590,000	-	5%	-	1,279,500	1,279,500	24,310,500
Building & Civil construction	380,398,284	-	5%	69,825,810	15,528,624	85,354,434	295,043,850
Poultry keeping equipment	52,231,957	-	10%	15,318,143	3,691,381	19,009,524	33,222,433
Feed mill plant & machineries	247,064,640	11,116,546	10%	93,769,112	15,885,380	109,654,492	148,526,694
Factory equipment & appliances	15,991,855	-	10%	4,102,152	1,188,970	5,291,123	10,700,732
Silo unit	14,844,713	101,905,127	10%	7,785,456	8,261,195	16,046,651	100,703,189
Scaling & measuring equipment	5,159,392	-	10%	2,371,468	278,792	2,650,260	2,509,132
Generator	47,311,083	-	10%	11,225,477	3,608,561	14,834,038	32,477,045
Computer & automated system (F)	1,193,195	-	20%	411,335	156,372	567,707	625,488
Computer & automated system (H/O)	1,046,845	127,532	20%	504,460	114,854	619,314	555,063
Furniture	3,732,539	-	20%	2,648,271	216,854	2,865,125	867,414
Cover van & pickup	10,409,794	-	20%	4,926,596	1,096,640	6,023,235	4,386,559
Exhaust fan	85,744	9,670	20%	62,620	5,108	67,728	27,686
Motor bike	1,246,146	-	20%	669,114	115,406	784,521	461,625
Electric Fan & Pump	158,656	10,500	20%	106,205	11,015	117,220	51,936
Leased Assets	3,753,800	-	20%	2,213,572	308,046	2,521,618	1,232,182
<b>Sub Total Asset as at 30-06-2017</b>	<b>992,784,573</b>	<b>113,169,375</b>		<b>215,939,791</b>	<b>51,746,698</b>	<b>267,686,489</b>	<b>838,267,459</b>
Sub Total Asset as at 30-06-2016	869,934,918	122,849,655		172,879,610	43,060,182	215,939,791	776,844,782

Based on Revaluation

Building & Civil construction	57,168,989	-	5%	13,024,874	2,207,206	15,232,080	41,936,909
<b>Sub Total Asset as at 30-06-2017</b>	<b>57,168,989</b>	<b>57,168,989</b>		<b>13,024,874</b>	<b>2,207,206</b>	<b>15,232,080</b>	<b>41,936,909</b>
Sub Total Asset as at 30-06-2016	57,168,989	-		10,701,500	2,323,374	13,024,874	44,144,115
<b>Gross Total Asset as at 30-06-2017</b>	<b>1,049,953,562</b>	<b>113,169,375</b>		<b>228,964,665</b>	<b>53,953,903</b>	<b>282,918,569</b>	<b>880,204,368</b>
Gross Total Asset as at 30-06-2016	927,103,907	122,849,655		183,581,109	45,383,556	228,964,665	820,988,897

Allocation of depreciation:	30-06-2017	30-06-2016
Manufacturing overhead	53,531,004	44,881,155
Administrative	114,854	117,344
Selling & distribution OH	308,046	385,057
<b>Total</b>	<b>53,953,903</b>	<b>45,383,556</b>

