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TRANSMITTAL LETTER

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

Subject: **Annual Report for the year ended on June 30, 2020.**

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report of Apex Foods Limited together with the Audited Financial statements comprising of Statement of Financial Position as at June 30, 2020, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on June 30, 2020 along with Notes thereon for your kind information and record.

Yours sincerely,

Sd/-
Kamrul Islam
Company Secretary

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **FORTY FIRST ANNUAL GENERAL MEETING** of the Shareholders of **APEX FOODS LIMITED** will be held virtually by using digital platform through link <http://virtualagm.apexfoods.com> (in pursuant with BSEC order SEC/SRMIC/94-231/25 dated July 08, 2020) on **Thursday, December 24, 2020 at 11.00 A.M.** to transact the following businesses:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2020 and report of the Auditors' and Directors thereon.
2. To declare Dividend for the year 2019-20.
3. To elect Directors.
4. To appoint Statutory Auditors for the year 2020-21 and fix their remuneration.
5. To appoint professional for the Certification on Corporate Governance Code for the year 2020-21 and fix their remuneration.
6. To transact any other business of the Company, with permission of the Chair.

Place: Dhaka
Date: December 03, 2020

By order of the Board of Directors

Sd/-
Kamrul Islam
Company Secretary

NOTES:

1. The Shareholders whose name appeared in the Register of Members of the Company or in the Depository on the "**Record Date i.e. November 18, 2020**" are eligible to attend in the Annual General Meeting and be entitled to the Dividend.
2. The detail login process and link of the online portal to attend the meeting will be communicated to the shareholders through email in due course and will be available at the company's Website at: <http://www.apexfoods.com>.
3. A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead as per para **104** of the Articles of Association of the Company.
4. Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Notification No.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018 the **Annual Report 2019-20** of the Company shall be sent to the respective e-mail address of the shareholders mentioned in their Beneficiary Owner (BO) Accounts with the depository. In case of non-receipt of Annual Report 2019-20 of the Company through e-mail, Shareholders may collect the same from Company's Website at: <http://www.apexfoods.com>.
5. In pursuance of BSEC's Notification No.: SEC/SRMI/2000-953/1950 dated October 24, 2000 gazette on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman	:	Mr. Zafar Ahmed
Vice Chairman	:	Mr. Zahur Ahmed PhD
Managing Director	:	Mr. Shahriar Ahmed
Director (Representative of Apex Spinning & Knitting Mills Ltd.)	:	Mr. Ashim Kumar Barua
Independent Director	:	Mr. Kazi Faruq Kader

AUDIT COMMITTEE

Chairman	:	Mr. Kazi Faruq Kader, Independent Director
Member	:	Mr. Shahriar Ahmed, Managing Director
Member	:	Mr. Ashim Kumar Barua, Director

NOMINATION & REMUNERATION COMMITTEE

Chairman	:	Mr. Kazi Faruq Kader, Independent Director
Member	:	Mr. Zahur Ahmed PhD, Vice Chairman
Member	:	Mr. Shahriar Ahmed, Managing Director

SENIOR CORPORATE OFFICIALS

Executive Director	:	Mr. Mominuddin Ahmed Khan
Chief Financial Officer	:	Mrs. Sheuli Rani Dey
Head of Internal Audit & Compliance	:	Mr. Md. Monir Hossain Bhuiyan FCCA, ACA
Company Secretary	:	Mr. Kamrul Islam

LEGAL ADVISORS

K. Fazlul Quadir
Abdur Razzaque & Associates
Md. Shahjahan Khan

AUDITORS

M/s. Hussain Farhad & Co.
Chartered Accountants

BANKER

Agrani Bank Limited
Agrabad Corporate Branch, Jahan Building
Agrabad C/A, Chattogram

REGISTERED OFFICE

Rupayan Golden Age, 5th & 6th floor
99 Gulshan Avenue, Gulshan, Dhaka-1212
Bangladesh.

FACTORY

51-B Shagarika Road,
Fouzderhat Industrial Estate, Pahartali,
Chattogram-4219, Bangladesh.

FIVE YEARS STATISTICS

Figure in Thousand Taka

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
Results of Operations:					
Revenue	2,184,387	1,712,670	1,922,168	1,642,772	2,031,947
Gross Profit	189,858	197,054	209,731	195,808	191,521
Operating Profit/(Loss)	85,399	96,071	102,415	4,470	(20,800)
Profit before Tax	36,422	38,406	33,931	27,037	9,278
Net Profit/(Loss) after Tax	10,738	11,781	9,660	8,920	(13,229)
Earnings per Share (EPS)	1.88	2.07	1.69	1.56	(2.32)
Dividend Per Share*	1.50	2.00	2.00	2.00	2.00
Financial Positions:					
Total Assets	1,714,463	1,682,611	1,872,183	1,758,502	1,545,510
Property, Plant and Equipment-Gross	725,427	710,997	705,057	691,866	684,643
Property, Plant and Equipment-Net	84,414	88,988	103,205	113,078	131,305
Gross Working Capital	1,315,229	1,256,464	1,353,620	1,372,968	1,185,580
Net Working Capital	326,994	325,898	306,141	295,060	302,479
Working Capital Loan	754,195	744,293	762,783	768,871	712,861
Share Capital	57,024	57,024	57,024	57,024	57,024
Share Premium	209,088	209,088	209,088	209,088	209,088
Reserve and Surplus	184,581	185,248	184,752	186,192	192,816
Share Holders' Equity	687,905	709,206	779,088	652,183	619,359
Long Term Loan	5,232	2,363	2,975	22,500	52,500
Key Financial Ratios:					
Current Ratio	1.33	1.35	1.29	1.27	1.34
Debt to Total Assets (%)	59.88	57.85	58.40	62.91	59.93
Return on Equity (%)	1.56	1.66	1.24	1.37	(2.14)
Net Assets Value Per Share	120.63	124.37	136.62	114.37	108.61
Dividend Payout Ratio (%)	79.66	96.81	118.06	127.86	(86.21)
Interest Service Coverage Ratio	1.19	1.24	1.19	1.05	0.77
Others:					
Market Price Per Share (30 th June)	120.10	175.60	209.20	146.36	116.49
Price Earning Multiple	63.88	84.83	123.79	93.82	(50.21)
Number of Employees (Including contract labor)	533	465	413	428	533
Capacity Utilization (%)	30.00	25.49	30.36	29.25	32.01

* The Board of Directors recommended Cash Dividend @Tk. 1.50/- per Share for the year ended on 30th June 2020.

AUDIT COMMITTEE REPORT

The audit committee of **APEX FOODS LIMITED** is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to review the activities of business.

The Audit Committee of the Company comprises of three Directors, nominated by the Board of Directors of the Company, headed by me, Kazi Faruq Kader, Independent Director. The other members of the committee are, Mr. Shahriar Ahmed and Mr. Ashim Kumar Barua.

The committee has worked closely with the company's financial term to ensure that the audit processes adopted in connection with the financial statements are deal with best practice. The committee was empowered to examine the matter related to financial and other affairs of the Company. This committee ensures a sound financial reporting system and updated information to the Board of Directors.

The committee normally meets in the next month of every quarter. During the year 2019-20, six Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Kazi Faruq Kader	6	6
Mr. Shahriar Ahmed	6	6
Mr. Ashim Kumar Barua	6	4

During the year the Audit Committee review and carry out the following tasks:

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Hold meeting with the external auditors for review of the annual financial statements before submission to the Board for approval.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the Management's discussions and analysis before disclosing in the annual report.
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
- Review statement of significant related party transactions submitted by the management.
- Review Management letters or letter of internal control weakness issued by the statutory Auditor's.
- Sufficient effectiveness of the internal financial controls.
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the year 2019-20 and oversees the performance of external auditors.
- Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.

The Audit Committee is of the view that the internal control and procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Dated; Dhaka the 28th October 2020

On behalf of the Audit Committee

Sd/-
Kazi Faruq Kader
Chairman

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee of **Apex Foods Limited** is a sub-committee of the Board of Directors and appointed and authorized by the Board in pursuance of BSEC notification to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives.

The Board of Directors of Apex Foods Limited has established on 27th December, 2018 the Nomination and Remuneration Committee comprises of three members, headed by me, Kazi Faruq Kader, Independent Director. The other members of the committee are, Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed Directors of the company.

During the year 2019-20, one meeting of the Nomination and Remuneration Committee was held on 20th February, 2020, the details of attendance of each member at the NRC meetings are as follows:

Name of the Member	Position	Number of Meeting held	Attended
Mr. Kazi Faruq Kader	Chairman	1	1
Mr. Zahur Ahmed PhD	Member	1	1
Mr. Shahriar Ahmed	Member	1	1

During the year the Nomination and Remuneration Committee oversee on the following matters:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.
- The relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identifying person who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board.
- Formulating the criteria for evaluation of performance of independent directors and the Board.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria, and.
- Developing, recommending and reviewing annually the company's human resources and training policies.
- Reviewed compliance of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission.
- **Appointment Criteria and qualifications:**
- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, senior management level and recommend to the board for appointment.
- The NRC is responsible to ensure that the procedures for appointing new Directors are transparent. A combination of age, gender, experience, ethnicity, educational back ground,

nationality and other relevant person attributes in the board is important in providing a range of perspectives, insights and challenges needed to support right decision making.

Recruitment and selection processes for board members identify candidates with the most suitable skills, knowledge, experiences and personal values.

- **Evaluation:**

The committee shall carry out evaluation of performance of independent Directors and the board. The NRC is responsible for ensuring the effectiveness of the board. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports and information produced for consideration and relationship with Management.

- **Top level Executive Selection and Remuneration Policy:**

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top Level Executives shall be transparent.

The objective of remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders.

- **Acknowledgement:**

The Nomination and Remuneration Committee expressed of sincere thanks to the Chairman and Members of the Board and Management for their support in carrying out its duties and responsibilities.

Dated; Dhaka the 28th October 2020

On behalf of the Nomination and Remuneration
Committee

Sd/-

Kazi Faruq Kader
Chairman

MD & CFO's Declaration to the Board of Directors

Date: October 28, 2020

The Board of Directors
Apex Foods Limited
Rupayan Golden Age (5th & 6th Floor)
99 Gulshan Avenue, Gulshan
Dhaka-1212, Bangladesh.

Subject: Declaration on Financial Statements for the year ended on June 30, 2020

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Apex Foods Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Annexure-B

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

Report to the Shareholders of Apex Foods Limited on compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Apex Foods Limited for the year ended on June 30, 2020. This code relates to the Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Bangladesh Securities and Exchange commission.

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

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

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

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

Place:Dhaka
Dated: October 28, 2020

Sd/-
Md. Waliullah, FCA
Managing Partner
Malek Siddiqui Wali
Chartered Accountants

Annexure-C

Corporate Governance Code Compliance Status

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No.: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.	BOARD OF DIRECTORS:		
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	Complied	
1.2	INDEPENDENT DIRECTORS:		
1.2 (a)	Independent Directors: At least 1/5 th (We have four Directors and One Independent Director)	Complied	The independent Director is getting remuneration from the Company, during the year his gross Remuneration was Tk. 600,000/-
1.2 (b)i)	Less than 1% Shares	Complied	
1.2 (b)ii)	Not a Sponsor of the Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder.	Complied	
1.2 (b)iii)	Not been an executive of the Company immediate preceding 2 financial years.	Complied	
1.2 (b)iv)	Does not have other relationship	Complied	
1.2 (b)v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange.	Complied	
1.2 (b)vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (b)vii)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (b)viii)	Not an Independent Director more than five listed Companies.	Complied	
1.2 (b)ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	Not applicable	
1.2 (b)x)	Not convicted for a Criminal offence	Not applicable	
1.2 (c)	Appointment by the Board and approved in AGM.	Complied	
1.2 (d)	Post cannot remain vacant for more than 90 days.	Not applicable	
1.2 (e)	Tenure of the Independent Director.	Complied	
1.3	Qualification of Independent Director:		
1.3 (a)	Independent Director shall be knowledgeable individual with integrity.	Complied	
1.3 (b)i)	Should be a Business Leader	Complied	
1.3 (b)ii)	Should be a Corporate Leader	Complied	
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.	Complied	

1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	Not Applicable	
1.3 (b)v)	An advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	Not Applicable	
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	Complied	
1.3 (d)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:		
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	Complied	
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	Complied	
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Not Complied	
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or chief Executive Officer;	Complied	
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson.	Not applicable	No such incident was occurred during the year.
1.5	The Directors' Report to Shareholders:		
1.5 (i)	Industry outlook and possible future developments in the industry	Complied	
1.5 (ii)	Segment-wise or product-wise performance	Complied	
1.5 (iii)	Risks and concerns	Complied	Detail discussion are given in Directors report Analysis.
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Complied	
1.5 (vi)	Discussion and Basis of related party transactions- a statement of all related party transactions.	Not applicable	There was no such event during the year.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	Not applicable	There was no such event during the year.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	Not applicable	There was no such event during the year.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	

1.5 (x)	Statement of Remuneration to directors including independent directors.	Complied	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	
1.5 (xii)	Statement of Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	Statement of Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied	
1.5 (xiv)	Statement of IAS/IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied	
1.5 (xv)	Statement of system of internal control is sound in design and has been effectively implemented and monitored.	Complied	
1.5 (xvi)	Statement of minority shareholders have been protected from abusive actions.	Complied	
1.5 (xvii)	Statement of no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	
1.5 (xviii)	An explanation that Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	
1.5 (xix)	Statement of Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not applicable	
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend.	Not applicable	
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each Director.	Complied	
1.5 (xxiii)	A report on the pattern of the shareholding:		
1.5 (xxiii)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxiii)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name wise details);	Complied	
1.5 (xxiii)c)	Executives;	Complied	
1.5 (xxiii)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxiv)a)	A brief resume of the director;	Complied	
1.5 (xxiv)b)	Nature of his / her expertise in specific functional areas;	Complied	

1.5 (xxiv)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
1.5 (xxv)	Management Discussion and Analysis signed by MD:		
1.5 (xxv)a)	Accounting policies and estimation for preparation of financial statements.	Complied	
1.5 (xxv)b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	Complied	
1.5(xxv)c)	Comparative analysis (including effects of inflation) of financial performance or result and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	Complied	
1.5 (xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	Complied	
1.5 (xxv)e)	Briefly explain the financial and economic scenario of the country and the globe;	Complied	
1.5 (xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the company.	Complied	
1.5 (xxv)g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM.	Complied	
1.5 (xxvi)	Declaration or certification by the MD and CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	Complied	
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	Complied	
1.6	Meeting of the Board of Directors:		
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	Complied	
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:		
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-	Development of Code of Conduct are under development process, it will be incorporated by the committee in upcoming meeting.
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior;	-	

	confidentiality conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	Not Applicable	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	Not Applicable	
2(c)	The minutes of the Board Meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	Not Applicable	
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	Not Applicable	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not Applicable	
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):		
3.1	Appointment		
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC);	Complied	
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	Complied	
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	Complied	
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	Complied	
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	Not Applicable	
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board: Provided that CS, CFO and HIAC shall not attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating	Complied	

	to their personal matters.		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):		
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;		
3.3(a)i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	Complied	
3.3(a)ii)	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;	Complied	
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	Complied	
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	Complied	
4	Board of Directors' Committee:		
4(i)	Audit Committee	Complied	
4(ii)	Nomination and Remuneration Committee	Complied	
5	AUDIT COMMITTEE:		
5.1	Responsibility to the Board of Directors:		
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board.	Complied	
5.1(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	Complied	
5.1(c)	The Audit Committee shall be responsible to the Board. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
5.2	Constitution of the Audit Committee:		
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
5.2(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	Complied	
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	Complied	
5.2(d)	When the term of service of the Committee members expires or there is	Not applicable	

	any circumstance causing any Committee member to be unable to hold office before expiration of the term of service.		
5.2(e)	The company secretary shall act as the secretary of the Committee	Complied	
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	-	No such incident was occurred during the year.
5.3	Chairperson of the Audit Committee:		
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	Complied	
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Not Applicable	
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	Was present in the AGM of 2018-19.
5.4	Meeting of the Audit Committee:		
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	Complied	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	-	No such incident was occurred during the year.
5.5	Role of Audit Committee:		
5.5(a)	Oversee the financial reporting process	Complied	
5.5(b)	Monitor choice of accounting policies and principles.	Complied	
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	
5.5(d)	Oversee hiring and performance of external auditors	Complied	
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	Complied	
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
5.5(h)	Review the adequacy of internal audit	Complied	

	function.		
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	
5.5(j)	Review statement of significant related party transactions submitted by the management	Complied	
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors.	Complied	
5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Complied	
5.5(m)	Over see whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not applicable	
5.6	Reporting of the Audit Committee:		
5.6(a)	Reporting to the Board of Directors:		
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5.6.a(ii)a)	report on conflicts of interests;	Not applicable	There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Not applicable	There was no such event to report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.	Not applicable	There was no such event to report
5.6(b)	Reporting to the Authorities	Not applicable	There was no such event to report
5.7	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
6	NOMINATION AND REMUNERATION COMMITTEE (NRC):		
6.1	Responsibilities to the Board of Directors:		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Complied	
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Complied	
6.2	Constitution of the NRC:		
6.2(a)	The Committee shall comprise of at least three members including an independent director.	Complied	
6.2(b)	All members of the Committee shall be non-executive directors;	Complied	
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
6.2(e)	In case of death, resignation, disqualification, or removal of any	Not Applicable	

	member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	Not Applicable	
6.2(g)	The company secretary shall act as the secretary of the Committee;	Complied	
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Complied	
6.3	Chairperson of the NRC:		
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Complied	
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	Complied	
6.4	Meeting of the NRC:	Complied	Meeting of NRC held on 20 February, 2020.
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not applicable	There was no such event with in the report period.
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	
6.5	Role of the NRC:		
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Complied	
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and	Complied	

	independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:		
6.5(b)i)a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	Complied	
6.5(b)i)b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;	Complied	
6.5(b)i)c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	Complied	
6.5(b)ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	
6.5(b)iii)	Identifying person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	Complied	
6.5(b)iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	
6.5(b)v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	Complied	
6.5(b)vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Complied	
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	
7	EXTERNAL OR STATUTORY AUDITORS:		
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:		
7.1(i)	Appraisal or valuation services or fairness opinions.	Complied	
7.1(ii)	Financial information systems design and implementation	Complied	
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
7.1(iv)	Broker-dealer services	Complied	
7.1(v)	Actuarial services.	Complied	
7.1(vi)	Internal audit services.	Complied	
7.1(vii)	Any service that the Audit Committee determines.	Complied	
7.1(viii)	Audit or certification services on	Complied	

	compliance of corporate governance as required under condition No 9(1); and		
7.1(ix)	Any other service that creates conflict of interest.	Complied	
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	Complied	
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	Complied	
8	MAINTAINING A WEBSITE BY THE COMPANY:		
8.1	The company shall have an official website linked with the website of the stock exchange.	Complied	
8.2	The company shall keep the website functional from the date of listing.	Complied	
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	Complied	
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:		
9.1	The company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant or Cost & Management Account or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	Complied	
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	Complied	
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	Complied	

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Forty-first Annual General Meeting of your Company and to present the Annual Report for the year ended June 30, 2020.

Global Economy:

In the second half of 2019, trade policy uncertainty and geopolitical tensions continued to weigh on global economic activity—especially manufacturing and trade. Intensifying social unrest in several countries posed new challenges, as did weather-related disasters—from hurricanes in the Caribbean to drought and bushfires in Australia, floods in eastern Africa, and drought in southern Africa. Despite these, some indications emerged toward the year-end that global growth may be bottoming out.

At the beginning of the year 2020, the world experienced a new pandemic. The COVID-19 is inflicting high, and the necessary protection measures severely impact economic activity. Most countries imposed stringent lockdown measures in the first half of 2020 to contain the coronavirus pandemic and protect susceptible populations. Meanwhile, economic activity contracted dramatically on a global scale. As a result, the global economy is projected to shrink by 3% percent in 2020. The effect will be much worse than during the 2008–09 financial crisis.

Although easing lockdowns can lead to a partial recovery, economic activity is likely to remain subdued until health risks subside. The necessary measures to reduce infection and protect lives are crucial investments in long-term human and economic health. Because the economic fallout is acute in specific sectors, policymakers will need to implement substantial targeted fiscal, monetary, and financial measures to support affected households and businesses domestically.

Bangladesh Economy:

The effects of Coronavirus are already being observed in the Bangladesh economy. There has been negative growth in import and export trade in FY2019-20. However, the remittance flow growth has been positive, with 10.87 percent growth during the fiscal year. Besides, the current account deficit has narrowed during FY2019-20.

Moreover, the surplus of the overall balance of the BOP significantly increased the foreign exchange reserves, and as of June 30, 2020, it stood at US\$ 36 billion. The exchange rate of Taka, especially the exchange rate of Taka with the US dollar, was stable. Inflation was also under control during this fiscal year due to modest production in the agricultural sector. The Government announced an incentive package of about 1.2 lakh crore taka to address the worldwide crisis and keep its economy moving and bringing it back on track. The incentive package announced is 4.3 percent of GDP.

As a result, the Bangladesh economy trend has started a turnaround towards the growth trajectory. Bangladesh's GDP growth rate for the year 2019 was 8.15%, and in this pandemic year, the economy is expected to grow around 6.50%. Despite all these hurdles, this is a good sign compared with the other countries.

My sincere thanks to all the respectable Shareholders for extending their continuous support and confidence in the Board of Directors of your Company. I also like to put on record my sincere appreciation to the Banks, Financial and Regulatory Agencies, Suppliers, Customers, various people with whom we have interacted in the course of business, management staff, and members of the Company at all levels for their cooperation and sincere efforts in the growth of your Company.

Place: Dhaka
Dated: October 28, 2020

Sd/-
Zafar Ahmed
Chairman

MANAGING DIRECTOR'S STATEMENT

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements as per condition no. 1.5(XXV) of Corporate Governance Code dated June 03, 2018:

(a) Accounting policies and estimation for preparation of financial statements:

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in Bangladesh and the following IASs and IFRSs are applicable for the financial statements for the year under review:

IAS-1	Presentation of financial statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-39	Financial Instruments: Recognition and Measurement
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-15	Revenue from contracts with customers
IFRS-16	Leases

(b) Changes in accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

(c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

“Figure in thousand Taka”

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Operational and Financial Data:						
Revenue	2,184,387	1,712,670	1,922,168	1,642,772	2,031,947	2,751,780
Gross Profit	189,858	197,054	209,731	195,808	191,521	219,627
Operating Profit/(Loss)	85,399	96,071	102,415	4,470	(20,800)	(53,525)
Profit before Tax	36,422	38,406	33,931	27,037	9,278	123,814
Net Profit/(Loss) after Tax	10,738	11,781	9,660	8,920	(13,229)	84,843
Total Assets	1,714,463	1,682,611	1,872,183	1,758,502	1,545,510	1,779,947
Total Liabilities	1,026,559	973,405	1,093,400	1,106,319	926,151	1,157,463
Current Assets	1,315,229	1,256,464	1,353,620	1,372,968	1,185,580	1,449,240
Current Liabilities	988,234	930,566	1,047,479	1,077,907	883,101	1,104,764
Reserve and Surplus	184,581	185,248	184,752	186,192	192,816	225,931
Share Holders' Equity	687,905	709,206	779,088	652,183	619,359	622,483
Current Ratio	1.33	1.35	1.29	1.27	1.34	1.31
Net Assets Value (NAV) per Share	120.63	124.37	136.62	114.37	108.61	109.16
Earnings Per Share (EPS)	1.88	2.07	1.69	1.56	(2.32)	14.88
NOCFPS	16.66	24.70	8.25	(25.57)	23.39	(6.64)

Apex Foods Limited had a continuous growth up to 2014-15 and thereafter we were unable to maintain the growth in same way due to decline of international demand as well as declining the price in international market, however we are trying to overcome the situation with minimization of cost so that the Company can run profitably and maintain sustainable growth. There was significant variance in net operating cash flows. The Net Operating Cash Flows per Share are positive/negative and are different in every financial year as this depends on different issues mainly, Collection from revenue and payment for costs and expenses. This scenario is changeable from time to time depending on different issues.

(d) Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario:

"Figure in thousand Taka"

Particulars	Apex Foods Ltd. 2019-20	Gemini Sea Food Ltd. 2019-20
Operational and Financial Data:		
Revenue	2,184,387	Not available
Gross Profit	189,858	Not available
Profit before Tax	36,422	Not available
Net Profit/(Loss) after Tax	10,738	Not available
Net Assets Value (NAV) per Share	120.63	0.21
Earnings Per Share (EPS)	1.88	(9.83)
NOCFPS	16.66	(10.24)

(e) Briefly explain the financial and economic scenario of the country and the globe:

Bangladesh economy trend has started a turnaround towards the growth trajectory. Bangladesh's GDP growth rate for the year 2019 was 8.15%, and in this pandemic year, the economy is expected to grow around 6.50%. Despite all these hurdles, this is a good sign compared with the other countries.

The global shrimp industry in 2020 has been seriously impacted by COVID-19 since January. Even so, international shrimp trade mostly increased during the first quarter due to relatively large orders during December 2019 to February 2020. These shipments reached most of the markets by March 2020.

Without a doubt, 2020 has been a difficult year for everyone. In addition to the drop in international prices – an ongoing trend since 2019 – the COVID-19 pandemic brought along numerous difficulties that have had to be faced and overcome, both from the public and private spheres. With the reduction in demand due to the confinement of the main shrimp markets, the industry has had to decelerate the positive trend of recent years. While the industry originally anticipated a 20 percent increase in exports for 2020, year-over-year, myriad challenges have forced a revision to that forecast of about 6 percent growth this year.

(f) Risk and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

Apex Foods Limited is availing working capital loan and there is risk of higher interest rate, it is highly exposed to interest rate risk. To minimize this exposure, the company is emphasizing on own fund based financing to reduce dependency on interest based borrowed fund.

The fisheries sector is a major driver for growth for Bangladesh. The marine and coastal fisheries have significant potential for sustainable and higher production. Bangladesh is keeping its focus on black tiger shrimp production, even as its neighbor, India, aims to farm one million metric tons of vannamei Shrimp per year. Bangladesh has a niche market for Black Tiger Shrimp but lags behind most other countries in adoption of modern technologies for shrimp farming and utilization of economic potential. So all out efforts should be made to adopt modern farming technology as quickly as possible to increase production & cut costs to remain competitive in the world market and retain the market share and survive global competition.

(g) Future plan:

Apex Foods Limited continues to train its workers to make them more efficient and this will continue in future. As a result the products will be able to meet international standards and be more hygienic. The Company's future plan is to sale its products with more value addition and explores new markets so that the Company can maintain a sustainable growth in coming years.

Place: Dhaka
Dated: October 28, 2020

Sd/-
Shahriar Ahmed
Managing Director

REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditor's Report and Audited Financial Statements of the Company for the year ended June 30, 2020.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

(i) Industry outlook and possible future developments in the industry:

Economic growth slumped to an over 10-year low in FY 2019-20, as the pandemic hammered both domestic activity and the external sector. Exports and industrial output collapsed at an unprecedented rate in Q2 FY 2020, reflecting a slump in foreign demand and spearheading the overall downturn.

The demand for food items, particularly in the retail, is expected to witness an upward surge owing to consumers opting for a safety stock during the COVID-19 pandemic. People are afraid of the second wave of Covid-19 and buying food items to have a safety stock at home.

(ii) Segment-wise or product-wise performance:

As Apex Foods Limited produces only shrimp, there is no scope for Product-wise performance reporting. However, country-wise export details are given in note 30 of the Annual Report.

(iii) Risks and concerns:

The country's shrimp industry's stakeholders demanded soft loans from the Government as the sector is in dire straits because of two natural disasters -- the Covid-19 pandemic and super cyclone Amphan.

Shrimp is being cultivated on around 258,681 hectares of land in the south and southwestern & southerneastern parts of Bangladesh. But in the last three months, production and sales of shrimp came to a halt due to a lack of workforce because of Coronavirus, disrupting the whole supply chain.

In the meantime, cyclone Amphan appeared and washed out vast areas of water bodies. It has damaged essential infrastructures, farm establishments, hatcheries, and ponds prepared for the next production cycle.

(iv) Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

(a) Cost of Goods Sold:

The reporting period's cost of goods sold was Tk. 1,995 million. The last year's cost of goods sold was Tk. 1,516 million. The increase in the cost of goods sold is because there has been an increase in the reporting period's gross turnover and average production cost of Tk. 98/- per Kg. During the year 2,160,315 Kg of shrimps were produced against last year's production of 1,835,436 Kg. Production capacity utilized during the year was 30.00%. Raw material purchase cost has increased to the tune of Tk. 473.81 million against last year. Raw materials had to be purchased more during the year to meet the sales projection.

(b) Gross Profit:

The Company has achieved an export turnover of Tk. 2,184 million during the year ended June 30, 2020. Last year's turnover was Tk. 1,713 million. The increase in turnover is 27.54% over the previous year. The increase in turnover is due to the global upturn in the retail product, particularly food items. During the year, gross profit earned was Tk. 189.86 million against last year's gross profit of Tk. 197.05 million. Despite a substantial increase in revenue, there is a slight decrease in the gross profit margin. The cost of raw material was higher.

(c) Net Profit:

Net profit (after tax) earned during the year was Tk. 10.74 million compared to last year's Net Profit (after tax) of Tk. 11.78 million. During the year, despite an increase in turnover, there is a slight decrease in net profit due to price adjustment and higher raw material cost.

(v) Extra-Ordinary gain or loss:

During the year, there was no realized extra-ordinary gain or loss made by the Company. An amount of Tk. (20.63) million has been shown as Fair Value Surplus of Investment in the Statement of Comprehensive Income, which represents the difference between the closing price of the investment in the Shares of Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited and the price shown in the last Statement of Financial Position. This accounting effect was given to comply with the latest requirement of International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs). Details are given in Note 20 of the Annual Report.

(vi) Related party transactions:

There is no related party transaction during the year under review.

(vii) Utilization of proceeds from public issues and/ or rights issues:

There was no right issue offered during the year.

(viii) Financial results after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.:

Initial Public Offering was made on June 22, 1981, and subsequently, the Right Offer was made on January 11, 1997. Since then, the Company is performing well.

(ix) Variance between Quarterly Financial performance and Annual Financial Statements:

There was a significant variance between quarterly performance (i.e., up to 3rd quarter, EPS was Tk. (4.58) & annually it has reached Tk. 1.88) and annual financial statements. This is due to an increase in operational efficiency as well as cost minimization.

(x) Remuneration to directors including independent directors:

The remunerations of Directors, including Independent Director, are as follows:

Name of the Directors	Director / Independent Director	Yearly Remuneration
Mr. Zafar Ahmed	Director	4,800,000
Mr. Ashim Kumar Barua	Director	3,900,000
Mr. Kazi Faruq Kader	Independent Director	600,000

(xi) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows, and changes in equity.

(xii) Proper books of account of the Company have been maintained.

(xiii) Appropriate accounting policies have been consistently applied in the preparation of the financial statements, and that the accounting estimates are based on reasonable and prudent judgment.

(xiv) International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs) as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there-from has been adequately disclosed.

(xv) The system of internal control is sound in design and has been effectively implemented and monitored.

(xvi) There was no such situation raised to protect the interest of minority shareholders.

(xvii) There are no significant doubts about the Company's ability to continue as a going concern.

(xviii) Deviation from the last year's operating results:

During the year, turnover has increased. But due to price adjustments and an increase in raw material price, and an increase in production efficiency, there is no significant deviation in operating results.

(xix) Key operating and financial data of at least preceding 5 (five) years:

	"Figure in thousand Taka"					
Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
Operational Data:						
Revenue	2,184,387	1,712,670	1,922,168	1,642,772	2,031,947	2,751,780
Gross Profit	189,858	197,054	209,731	195,808	191,521	219,627
Operating Profit/(Loss)	85,399	96,071	102,415	4,470	(20,800)	(53,525)
Profit before Tax	36,422	38,406	33,931	27,037	9,278	123,814
Net Profit/(Loss) after Tax	10,738	11,781	9,660	8,920	(13,229)	84,843
Earnings Per Share (EPS)	1.88	2.07	1.69	1.56	(2.32)	14.88
Dividend Per Share	1.50	2.00	2.00	2.00	2.00	2.00
Financial Data:						
Total Assets	1,714,463	1,682,611	1,872,183	1,758,502	1,545,510	1,779,947
Property, Plant and Equipment-Gross	725,427	710,997	705,057	691,866	684,643	678,306
Property, Plant and Equipment-Net	84,414	88,988	103,205	113,078	131,305	155,017
Gross Working Capital	1,315,229	1,256,464	1,353,620	1,372,968	1,185,580	1,449,240
Net Working Capital	326,994	325,898	306,141	295,060	302,479	344,476
Working Capital Loan	754,195	744,293	762,783	768,871	712,861	794,270
Share Capital	57,024	57,024	57,024	57,024	57,024	57,024
Share Premium	209,088	209,088	209,088	209,088	209,088	209,088
Reserve and Surplus	184,581	185,248	184,752	186,192	192,816	225,931
Share Holders' Equity	687,905	709,206	779,088	652,183	619,359	622,483
Long Term Loan	5,232	2,363	2,975	22,500	52,500	82,500

(xx) Dividend:

The Board of Directors has recommended a Cash Dividend @ 15%, i.e., Taka 1.50 per share of Tk. 10.00 each for the year ended June 30, 2020, to those shareholders whose names would appear in the Share Register of Members of the Company or in the Depository list of CDBL as on November 18, 2020, at the close of office.

(xxi) Interim Dividend:

The Board of Directors has declared no bonus share or stock dividend for the interim period.

(xxii) Board Meetings:

During the year, 7 (Seven) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting attended
Mr. Zafar Ahmed	7
Mr. Zahur Ahmed PhD	7
Mr. Shahriar Ahmed	7
Mr. Ashim Kumar Barua	3
Mr. Kazi Faruq Kader	7

(xxiii) The pattern of shareholding:

Name wise details	No. Shares
a) Parent/subsidiary/Associated companies and other related parties:	
Apex Spinning & Knitting Mills Limited	169,250
Apex Lingerie Limited	10,800
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance:	
Mr. Zafar Ahmed – Director	1,320,530
Mr. Zahur Ahmed PhD – Director	160,740
Mr. Shahriar Ahmed – Director	563,430
Mr. Ashim Kumar Barua – Director	7,500
Mr. Kazi Faruq Kader – Independent Director	NIL
Mrs. Sheuli Rani Dey – Chief Financial Officer	NIL
Mr. Md. Monir Hossain Bhuiyan FCCA, ACA- Head of Internal Audit & Compliance	NIL
Mr. Kamrul Islam – Company Secretary	NIL
c) Senior Corporate Executives:	
Mr. Mominuddin Ahmed Khan-Executive Director	2,450
d) Shareholders holding ten percent (10%) or more voting interest in the Company:	
Mr. Zafar Ahmed	1,320,530
Mrs. Shawkat Ara Ahmed	823,000

(xxiv) Appointment/re-appointment of directors of the Company:

Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are retiring from the Board in terms of the Articles of Association of the Company and, being eligible, offer themselves for re-election. The detailed work profiles of Mr. Zahur Ahmed PhD and Mr. Shahriar Ahmed are given below:

Mr. Zahur Ahmed PhD

- a. Mr. Zahur Ahmed PhD is a Doctorate in Biophysics from the USA and former Associate Professor of the State University of New York at Buffalo, USA. He is one of the Directors of the Company and working in this sector since 1991. During his long tenure with the Company, Mr. Zahur PhD has gathered vast knowledge about this sector. Mr. Zahur PhD is now Vice Chairman of the Company.
- b. He is also holding the Directorship of (i) Apex Spinning & Knitting Mills Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited, (v) Apex Fashion Wear Limited and (vi) Matex Bangladesh Limited.
- c. Presently, Mr. Zahur Ahmed PhD is one of the member of Nomination and Remuneration Committee.

Mr. Shahriar Ahmed

- a. Mr. Shahriar Ahmed obtained his MBA from Johnson & Wales University, USA, and after completion of his education, he joined this Company in 2004. He is working in this sector since 2004. During his long tenure with the Company, Mr. Shahriar has gathered vast knowledge about this sector. Mr. Shahriar is now acting as the Managing Director of the Company.
- b. Since his joining in this sector, he has gathered sufficient knowledge to run the Company.
- c. He is holding the Directorship of (i) Apex Spinning & Knitting Mills Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited, (v) Apex Fashion Wear Limited and (vi) Matex Bangladesh Limited.
- d. Presently, Mr. Shahriar is one of the member of Audit Committee & Nomination and Remuneration Committee.

(xxv) Management Discussion & Analysis Signed by MD:

The Managing Director has signed the management discussion and analysis, representing a detailed analysis of the Company's position and operation in the annual report as "Managing Director's Statement".

(xxvi) Declaration signed by MD & CFO:

Please refer to Annexure-A for declaration signed by MD and CFO.

(xxvii) Corporate Governance Compliance Report:

According to the Bangladesh Securities and Exchange Commission requirements, the "Corporate Governance Report" is annexed in Annexure B and C.

(xxviii) Appointment of Statutory Auditors:

The retiring Statutory Auditor M/s. Hussain Farhad & Co., Chartered Accountants, being eligible, offer themselves for re-appointment as Statutory Auditors of the Company for the year 2020-2021.

(xxix) Appointment of Compliance Auditors:

The retiring Compliance Auditor M/s. Malek Siddiqui Wali, Chartered Accountants being eligible offer themselves for re-appointment as a Compliance Auditors of the Company for Certification on Compliance of Corporate Governance Code for the year 2020-2021.

(xxx) Meeting of the Board of Directors:

We have conducted our Board Meeting & recorded the minutes of the meeting as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

Place: Dhaka
Dated: October 28, 2020

On behalf of the Board

Sd/-
Zafar Ahmed
Chairman

পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০২০ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত ।

পরিচালনা পর্ষদের প্রতিবেদন প্রনয়নের ক্ষেত্রে কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা ও বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ- জুন ০৩, ২০১৮ অনুসরণ করা হয়েছে ।

১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

২০১৯-২০২০ অর্থ বছরে অর্থনৈতিক প্রবৃদ্ধি বিগত ১০ বছরের হিসাবে সর্বনিম্নে অবস্থান করেছে, কারণ কোভিড-১৯ মহামারী অভ্যন্তরীণ এবং বৈদেশিক উভয়ক্ষেত্রে অর্থনৈতিক কার্যক্রমকে ক্ষতিগ্রস্ত করেছে । ২০২০ সালের দ্বিতীয় প্রান্তিকে এসে রপ্তানী এবং শিল্পের উৎপাদন অস্বাভাবিক ধস পরিলক্ষিত হয়েছে, একই সময়ে বৈদেশিক চাহিদা হ্রাস এবং সামগ্রিক মন্দার মূল কারণ হিসাবে বিবেচিত হয়েছে ।

খাদ্য পণ্যের চাহিদা, বিশেষ করে খুচরা পর্যায়ে, কোভিড-১৯ মহামারী চলাকালীন গ্রাহকরা মজুদ নীতি বেছে নেওয়ায় উর্ধ্বগতি পরিলক্ষিত হয়েছে । কোভিড-১৯ এর দ্বিতীয় ঢেউ এর আশঙ্কায় মানুষ বাসায় মজুদ রাখার জন্য খাদ্যসামগ্রী ক্রয় করছে ।

২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

যেহেতু এপেক্স ফুডস লিমিটেড শুধু চিংড়ি প্রক্রিয়াকরন ও রপ্তানী করে সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই । যাইহোক বার্ষিক প্রতিবেদনের ৩০ নং নোটে আমাদের প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে ।

৩. ঝুঁকি ও উদ্ভিগ্নতা সমূহঃ

দেশের চিংড়ি শিল্পের সাথে জড়িতরা সরকারের কাছে সহজ শর্তে ঋণ চেয়েছে, যেহেতু দুটি প্রাকৃতিক বিপর্যয় কোভিড-১৯ মহামারী এবং ঘূর্ণিঝড় আফান এর কারণে এই খাতটি মারাত্মক সঙ্কটে রয়েছে ।

বাংলাদেশের দক্ষিণ, দক্ষিণপূর্ব এবং দক্ষিণপশ্চিমাঞ্চলের প্রায় ২৫৮,৬৮১ হেক্টর জমিতে চিংড়ি উৎপাদন হয়ে থাকে । কিন্তু গত তিন মাসে চিংড়ি উৎপাদন ও বিক্রয় ব্যবস্থা শ্রম শক্তির অভাবে সাময়িক ভাবে ধস নেমেছে কারণ করোনাভাইরাস পুরো সরবরাহ চেইন ব্যাহত হয়েছে ।

ইতিমধ্যে, ঘূর্ণিঝড় আফানের আবির্ভাবে বিস্তীর্ণ অঞ্চল প্লাবিত হয় এবং এটির কারণে উৎপাদন চক্রের জন্য প্রস্তুতকৃত গুরুত্বপূর্ণ অবকাঠামো, খামার ব্যবস্থাপনা, হ্যাচারী এবং পুকুরগুলি ব্যাপক ক্ষতিগ্রস্ত হয়েছে ।

৪. বিক্রিত পণ্যের ব্যয় বিশ্লেষণ, মোট প্রান্তিক মুনাফা এবং নীট প্রান্তিক মুনাফা বিশ্লেষণঃ

ক) বিক্রিত পণ্যের ব্যয় :

প্রতিবেদন কালিন সময়ে বিক্রিত পণ্যের ব্যয় ছিল ১,৯৯৫ মিলিয়ন টাকা । গত বৎসর বিক্রিত পণ্যের ব্যয় ছিল ১,৫১৬ মিলিয়ন টাকা । বিক্রিত পণ্যের ব্যয় বৃদ্ধি পেয়েছে এর কারণ প্রতিবেদন কালিন সময়ে মোট বিক্রয় বৃদ্ধি পেয়েছে সাথে গড়ে কেজি প্রতি উৎপাদন ব্যয় ৯৮ টাকা হারে বৃদ্ধি পেয়েছে । চলতি বৎসর ২,১৬০,৩১৫ কেজি চিংড়ি উৎপাদন হয়েছে যা গত বৎসর ছিল ১,৮৩৫,৪৩৬ কেজি । চলতি বৎসরে উৎপাদন ক্ষমতার ৩০ শতাংশ ব্যবহৃত হয়েছে । গত বৎসরের তুলনায় কাঁচামাল ক্রয়ের জন্য ৪৭৩.৮১ মিলিয়ন টাকা বেশি খরচ হয়েছে । বিক্রয় চাহিদা পূরণের জন্য এ বছর বেশি কাঁচামাল ক্রয় করা হয়েছে ।

খ) মোট মুনাফাঃ

৩০ শে জুন ২০২০ সমাপ্ত অর্থ বৎসরে কোম্পানী মোট বিক্রয় করেছে ২,১৮৪ মিলিয়ন টাকা । গত বৎসর বিক্রয় ছিল ১,৭১৩ মিলিয়ন টাকা । গত বৎসরের তুলনায় বিক্রয় ২৭.৫৪ শতাংশ বৃদ্ধি পেয়েছে । বিক্রয় বৃদ্ধি পেয়েছে মূলত খুচরা পণ্য বিশেষত খাদ্য সামগ্রীর বিশ্বব্যাপী উত্থানের কারণে । এ বৎসর মোট মুনাফা অর্জিত হয়েছে ১৮৯.৮৬ মিলিয়ন টাকা যা গত বৎসর ছিল ১৯৭.০৫ মিলিয়ন টাকা । বিক্রয় যথেষ্ট পরিমানে বৃদ্ধি পাওয়া সত্ত্বেও, মোট লাভ মার্জিন হালকা হ্রাস পেয়েছে । এই সময়ে মূলত উচ্চ মূল্যে কাঁচামাল ক্রয় করতে হয়েছে ।

গ) নীট মুনাফাঃ

এ বৎসর কর পরবর্তী নীট মুনাফা হয়েছে ১০.৭৪ মিলিয়ন টাকা এবং গত বৎসর কর পরবর্তী নীট মুনাফা ছিল ১১.৭৮ মিলিয়ন টাকা। এ বছর বিক্রয় বৃদ্ধি পাওয়া সত্ত্বেও, নীট লাভ হালকা হ্রাস পেয়েছে কারণ মূল্য সমন্বয় হয়েছে এবং কাঁচামালের দাম বৃদ্ধি পেয়েছে।

৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বৎসর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। বিনিয়োগের সুষ্ঠু মূল্যায়নের ফলে (২০.৬৩) মিলিয়ন টাকা ঘাটতি হয়েছে যাহা সমন্বিত আয় বিবরণীতে দেখানো হয়েছে যাহা এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এবং এপেক্স উইভিং এন্ড ফিনিশিং মিলস্ লিমিটেড এর শেষারে বিনিয়োগের সমাপনী মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস (আই.এ.এস) এবং ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। বার্ষিক প্রতিবেদনে ২০ নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

পর্যালোচনায় দেখা যায় এ বৎসর আন্তঃ সম্পর্কিত কোম্পানীর সাথে কোন লেনদেন হয়নি।

৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহারঃ

এ বৎসর কোন পাবলিক ইস্যু অথবা রাইট ইস্যু হয়নি।

৮. ইনিশিয়াল পাবলিক অফারিং (আই.পি.ও), রিপিট পাবলিক অফারিং (আর. পি. ও), রাইট অফার, ডাইরেক্ট লিস্টিং ইত্যাদি থেকে অর্থ বা তহবিল প্রাপ্তির পর কোম্পানীর আর্থিক অবস্থা :

১৯৮১ সালের জুন মাসের ২২ তারিখে ইনিশিয়াল পাবলিক অফারিং (আই.পি.ও) এবং পরবর্তী সময়ে ১৯৯৭ সালের জানুয়ারী মাসের ১১ তারিখে রাইট অফার করা হয়। এর পর থেকে কোম্পানী নিয়মিত ভালো করে যাচ্ছে।

৯. বার্ষিক আর্থিক বিবরণী এবং ত্রৈমাসিক আর্থিক অবস্থার বিবরণীর মধ্যে পার্থক্যঃ

ত্রৈমাসিক আর্থিক অবস্থার বিবরণী এবং বার্ষিক আর্থিক বিবরণী মধ্যে উল্লেখযোগ্য পার্থক্য আছে (অর্থাৎ তৃতীয় কোয়ার্টার পর্যন্ত আর্থিক প্রতিবেদনে শেয়ার প্রতি ক্ষতি ছিল (৪.৫৮) টাকা কিন্তু বাৎসরিক ইহা ১.৮৮ টাকায় উপনীত হয়েছে)। ইহা হয়েছে মূলত পরিচালনায় দক্ষতা বৃদ্ধির পাশাপাশি ব্যয় হ্রাসকরণের ফলে।

১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপঃ-

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জাফর আহমেদ	পরিচালক	৪,৮০০,০০০/-
জনাব অসীম কুমার বড়ুয়া	পরিচালক	৩,৯০০,০০০/-
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	৬০০,০০০/-

১১. কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ, মূলধনের পরিবর্তন সঠিক ভাবে উপস্থাপন করা হয়েছে।

১২. কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।

১৩. আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।

১৪. ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস (আই.এ.এস) এবং ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস) যাহা বাংলাদেশে প্রযোজ্য তাহা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তাহা যথাযথ ভাবে প্রকাশ করা হয়েছে।

১৫. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।

১৬. সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ রক্ষার জন্য এ ধরনের কোন পরিস্থিতি উত্থাপিত হয়নি।

১৭. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।

১৮. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

চলতি বৎসরে বিক্রয় বৃদ্ধি পেয়েছে কিন্তু মূল্য সমন্বয় এবং কাঁচা মালের মূল্য বৃদ্ধি এবং উৎপাদনে দক্ষতা বৃদ্ধির ফলে পরিচালনগত ফলাফলে কোন উল্লেখযোগ্য ব্যবধান নেই।

১৯. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৯-২০	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬	২০১৪-১৫
পরিচালন তথ্যঃ						
বিক্রয়	২,১৮৪,৩৮৭	১,৭১২,৬৭০	১,৯২২,১৬৮	১,৬৪২,৭৭২	২,০৩১,৯৪৭	২,৭৫১,৭৮০
মোট মুনাফা	১৮৯,৮৫৮	১৯৭,০৫৪	২০৯,৭৩১	১৯৫,৮০৮	১৯১,৫২১	২১৯,৬২৭
পরিচালন মুনাফা/ (লোকসান)	৮৫,৩৯৯	৯৬,০৭১	১০২,৪১৫	৪,৪৭০	(২০,৮০০)	(৫৩,৫২৫)
করপূর্ব মুনাফা	৩৬,৪২২	৩৮,৪০৬	৩৩,৯৩১	২৭,০৩৭	৯,২৭৮	১২৩,৮১৪
করপূর্ব মুনাফা/ (লোকসান)	১০,৭৩৮	১১,৭৮১	৯,৬০৬	৮,৯২০	(১৩,২২৯)	৮৪,৮৪৩
শেয়ার প্রতি আয়	১.৮৮	২.০৭	১.৬৯	১.৫৬	(২.৩২)	১৪.৮৮
প্রতি শেয়ারের জন্য লভ্যাংশ	১.৫০	২.০০	২.০০	২.০০	২.০০	২.০০
আর্থিক তথ্যঃ						
মোট সম্পদ	১,৭১৪,৪৬৩	১,৬৮২,৬১১	১,৮৭২,১৮৩	১,৭৫৮,৫০২	১,৫৪৫,৫১০	১,৭৭৯,৯৪৭
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	৭২৫,৪২৭	৭১০,৯৯৭	৭০৫,০৫৭	৬৯১,৮৬৬	৬৮৪,৬৪৩	৬৭৮,৩০৬
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	৮৪,৪১৪	৮৮,৯৮৮	১০৩,২০৫	১১৩,০৭৮	১৩১,৩০৫	১৫৫,০১৭
মোট চলতি মূলধন	১,৩১৫,২২৯	১,২৫৫,৪৬৪	১,৩৫৩,৬২০	১,৩৭২,৯৬৮	১,১৮৫,৫৮০	১,৪৪৯,২৪০
নীট চলতি মূলধন	৩২৬,৯৯৪	৩২৫,৮৯৮	৩০৬,১৪১	২৯৫,০৬০	৩০২,৪৭৯	৩৪৪,৪৭৬
চলতি মূলধন ঋণ	৭৫৪,১৯৫	৭৪৪,২৯৩	৭৬২,৭৮৩	৭৬৮,৮৭১	৭১২,৮৬১	৭৯৪,২৭০
শেয়ার মূলধন	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪
শেয়ার প্রিমিয়াম	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮
সংরক্ষণ এবং উদ্বৃত্ত	১৮৪,৫৮১	১৮৫,২৪৮	১৮৪,৭৫২	১৮৬,১৯২	১৯২,৮১৬	২২৫,৯৩১
শেয়ার মালিকদের ইকুইটি	৬৮৭,৯০৫	৭০৯,২০৬	৭৭৯,০৮৮	৬৫২,১৮৩	৬১৯,৩৫৯	৬২২,৪৮৩
দীর্ঘ মেয়াদী ঋণ	৫,২৩২	২,৩৬৩	২,৯৭৫	২২,৫০০	৫২,৫০০	৮২,৫০০

২০. লভ্যাংশঃ

কোম্পানীর পরিচালকমন্ডলী ২০১৯-২০ হিসাব বৎসরে প্রতি ১০/- (দশ) টাকার শেয়ারের জন্য ১৫ শতাংশ অর্থাৎ ১.৫০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরিতে নভেম্বর ১৮, ২০২০ ইং তারিখে কার্য সমাপ্ত সময়ে অর্ন্তভুক্ত থাকবে।

২১. অন্তর্বর্তীকালীন লভ্যাংশঃ

পরিচালনা পর্ষদ অন্তর্বর্তীকালীন সময়ে কোন বোনাস শেয়ার বা স্টক লভ্যাংশ ঘোষণা করেনি।

২২. বোর্ডের সভাঃ

এ বৎসর বোর্ডের ০৭ (সাত) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হলঃ

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	০৭
জনাব জহুর আহমেদ পিএইচডি	০৭
জনাব শাহরিয়ার আহমেদ	০৭
জনাব অসীম কুমার বড়ুয়া	০৩
জনাব কাজী ফারুক কাদের	০৭

২৩. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণঃ

নাম অনুসারে বিবরণ		শেয়ার সংখ্যা
ক) প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টিসমূহঃ		
এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড		১৬৯,২৫০
এপেক্স ল্যানজারী লিমিটেড		১০,৮০০
খ) পরিচালকবৃন্দ, প্রধান নির্বাহী কর্মকর্তা, কোম্পানী সচিব, প্রধান অর্থ কর্মকর্তা, অভ্যন্তরীণ নিরীক্ষা কমপ্লায়েন্স প্রধানঃ		
জনাব জাফর আহমেদ	পরিচালক	১,৩২০,৫৩০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১৬০,৭৪০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৫৬৩,৪৩০
জনাব অসীম কুমার বড়ুয়া	পরিচালক	৭,৫০০
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	-
জনাবা শিউলী রানী দে	প্রধান অর্থ কর্মকর্তা	-
জনাব মোঃ মনির হোসেন ভূঁইয়া এফসিসিএ, এসিএ	অভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স প্রধান	-
জনাব কামরুল ইসলাম	কোম্পানী সচিব	-
গ) উর্ধ্বতন করপোরেট নির্বাহীগণঃ		
জনাব মমিন উদ্দিন আহমেদ খান- নির্বাহী পরিচালক		২,৪৫০
ঘ) কোম্পানীতে ১০ শতাংশ অথবা তার চেয়ে বেশী ভোটের অধিকারী শেয়ারহোল্ডারঃ		
জনাব জাফর আহমেদ		১,৩২০,৫৩০
জনাবা শওকত আরা আহমেদ		৮২৩,০০০

২৪. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগঃ

জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করেছেন এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন। জনাব জহুর আহমেদ পিএইচডি এবং জনাব শাহরিয়ার আহমেদ এর বিস্তারিত বিবরণ নিম্নরূপঃ-

জনাব জহুর আহমেদ পিএইচডিঃ

- ক) জনাব জহুর আহমেদ পিএইচডি, যুক্তরাষ্ট্র থেকে বায়োফিজিক্স এ ডক্টরেট ডিগ্রি অর্জন করেন এবং যুক্তরাষ্ট্রের বাফেলোয় স্টেট ইউনিভার্সিটি অব নিউইয়র্ক এ সহযোগী অধ্যাপক হিসেবে কর্মরত ছিলেন। তিনি এই কোম্পানীর একজন পরিচালক এবং তিনি ১৯৯১ সাল থেকে এই শিল্প খাতে কাজ করেছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর সহ-সভাপতি।
- খ) তিনি এই কোম্পানীর পরিচালক ছাড়াও ১. এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড, ২. এপেক্স ল্যানজারী লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিটিং মিলস্ লিমিটেড, ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেস্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।
- গ) বর্তমানে জনাব জহুর আহমেদ পিএইচডি নমিনেশন ও রিমুনারেশন কমিটির একজন সদস্য।

জনাব শাহরিয়ার আহমেদঃ

- ক) জনাব শাহরিয়ার আহমেদ, যুক্তরাষ্ট্রের জনসন এন্ড ওয়েলস বিশ্ববিদ্যালয় হইতে এমবিএ ডিগ্রী অর্জন করেন এবং তার শিক্ষা জীবন শেষ করে ২০০৪ সালে তিনি এই কোম্পানীতে যোগদান করেন। তিনি ২০০৪ সাল থেকে এই শিল্প খাতে কাজ করছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর ব্যবস্থাপনা পরিচালক।
- খ) জনাব শাহরিয়ার এ খাতে যোগদানের পর হইতে এই কোম্পানী পরিচালনার জন্য পর্যাপ্ত জ্ঞান অর্জন করেছেন।
- গ) তিনি এই কোম্পানীর পরিচালক ছাড়াও ১. এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড, ২. এপেক্স ল্যানজারি লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিটিং মিলস্ লিমিটেড, ৫. এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে জনাব শাহরিয়ার আহমেদ অডিট কমিটি এবং নমিনেশন ও রিমুনারেশন কমিটির একজন সদস্য।

২৫. ম্যানেজমেন্ট আলোচনা এবং বিশ্লেষণ যাহা ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত:

ব্যবস্থাপনা পরিচালক কর্তৃক স্বাক্ষরিত ম্যানেজমেন্ট আলোচনা ও বিশ্লেষণ যা ব্যবস্থাপনা পরিচালকের বিবৃতি হিসাবে বার্ষিক প্রতিবেদনে সংযুক্ত কোম্পানীর অবস্থান, অপারেশন এবং বিশদ বিশ্লেষণের প্রতিনিধিত্ব করে।

২৬. এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি:

এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি অনুগ্রহপূর্বক **Annexure-A** পড়ুন।

২৭. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী কর্পোরেট গভর্নেন্স প্রতিবেদন যা **Annexure-B** এবং **C** এ সংযুক্ত করা হলো।

২৮. বিধিবদ্ধ নিরীক্ষক নিয়োগ:

অবসর গ্রহনকারী বিধিবদ্ধ নিরীক্ষক মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস যোগ্য বিধায় ২০২০-২০২১ হিসাব বৎসরের জন্য বিধিবদ্ধ নিরীক্ষক হিসাবে, তাহাদেরকে পুনঃ নিয়োগের জন্য প্রস্তাব করেছেন।

২৯. কমপ্লায়েন্স নিরীক্ষক নিয়োগ:

অবসর গ্রহনকারী কমপ্লায়েন্স নিরীক্ষক মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ যোগ্য বিধায় ২০২০-২০২১ হিসাব বৎসরের কর্পোরেট গভর্নেন্স কমপ্লায়েন্স সনদ প্রদানের জন্য কমপ্লায়েন্স নিরীক্ষক হিসাবে, তাহাদেরকে পুনঃ নিয়োগের জন্য প্রস্তাব করেছেন।

৩০. বোর্ড পরিচালকদের সভা:

পরিচালকদের বোর্ড সভা এবং ইহার নতি সমূহের সংরক্ষণ ইনস্টিটিউট অব চার্টার্ড সেক্রেটারীস অব বাংলাদেশ (আইসিএসবি) অনুসারে করা হয়েছে।

স্থান: ঢাকা

তারিখ: ২৮ অক্টোবর, ২০২০

বোর্ডের পক্ষে

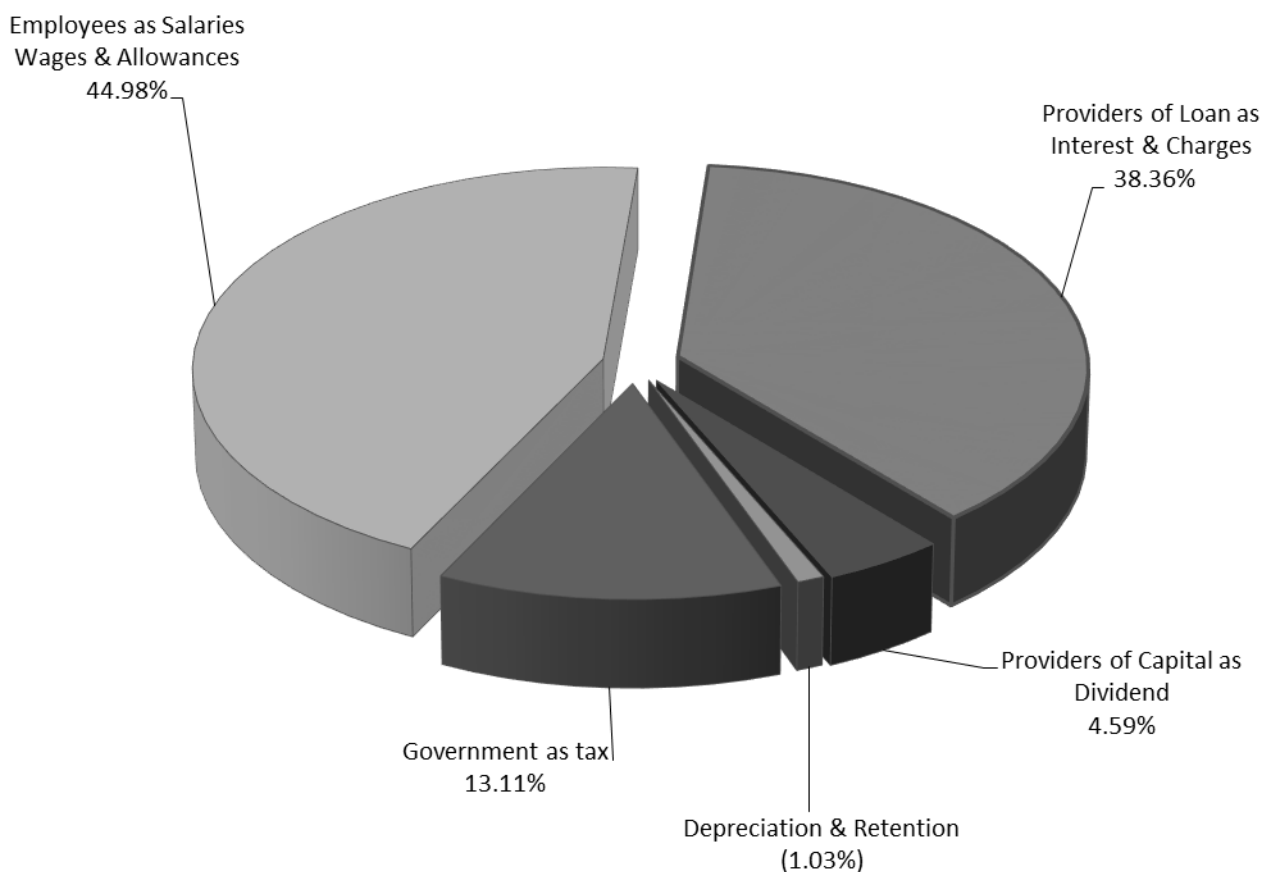
স্বা/-

জাফর আহমেদ

সভাপতি

VALUE ADDED STATEMENT

PARTICULARS	2019-20	%	2018-19	%
VALUE ADDED				
Revenue	2,184,387,103		1,712,669,526	
Less: Bought in Materials & Services	1,997,959,187		1,517,397,831	
	186,427,916		195,271,695	
APPLICATIONS				
Government as tax	24,449,454	13.11	16,580,622	8.49
Employees as Salaries, Wages & Allowances	83,846,429	44.98	80,963,806	41.46
Providers of Loan as Interest & Charges	71,517,369	38.36	77,313,727	39.59
Providers of Capital as Dividend	8,553,600	4.59	11,404,800	5.84
Depreciation & Retention	(1,938,936)	(1.03)	9,008,740	4.62
	186,427,916	100.00	195,271,695	100.00



INDEPENDENT AUDITOR'S REPORT

To the shareholders of APEX FOODS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Apex Foods Limited (hereinafter "AFL"), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of AFL as at June 30, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 3.09 of the financial statements, where it has been described the reason for not implementing IFRS 16. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matters
<p>Revenue recognition</p> <p>At year end AFL reported total revenue of BDT 2,184,387,103. This is an area considered to be complex and judgmental. Therefore, there is a risk of the revenue being misstated as a result of absence of a contract with the customer, failure to properly identify various performance obligations, Where the transaction price appears to be undeterminable, Where the allocation of transaction price appears to be incorrect, and entity has not satisfied the</p>	<p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of revenue recognition accounting policy in line with IFRS 15 Revenue from contracts with customers; • Performed walkthroughs to understand the adequacy and the design of the revenue cycle; • Tested the internal controls over financial reporting, we also assessed the existence

Key Audit Matter	How our audit addressed the key audit matters
<p>performance obligations.</p> <p>There is also a risk that revenue may be misstated due to fraud, through misstating of price declaration, unrecorded sales, maintaining accrual concept for invoicing, recognition within the Cutoff period, inaccurate sales figure, and unauthorized sales.</p>	<p>and accuracy of the sales recorded, based among other things on inspection of sales contracts, final acceptances, and the allocation of variable consideration to the various elements in the contracts;</p> <ul style="list-style-type: none"> • We performed substantive analytical to understand how revenue trends over the year among other parameters and performed a detailed testing on transactions around the year—end, to test revenues were recognized in the correct accounting period. • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
See note 30 to the financial statements	
Valuation and existence of inventories	
<p>At year end, AFL has inventories amounting to BDT 901,079,255 which amounted to 53% of the total assets. As per IAS 2, inventories are required to be valued at the lower to cost and net realizable value. Cost of inventories includes purchase cost and cost incurred in bringing inventories to its present location and condition. IAS 2 specifically prohibits certain costs from being excluded from the cost of inventories. Due to the complex nature of accounting for inventories, there is an increased risk of misstatement in valuation of inventory items.</p> <p>IAS 2 defines inventories as assets which are: (a) held for sale in the ordinary course of business, (b) in the process of production for such sale, (c) in the form of materials or supplies to be consumed in the production process or rendering of services. There was therefore a risk that assets which do not meet the definition of inventories have been improperly classified as inventory items.</p>	<p>With regard to appropriate valuation of inventories we adopted the following audit procedures:</p> <ul style="list-style-type: none"> • We observed AFL's physical counts on an alternative date, and performed audit procedures on intervening transactions to ensure and to obtain audit evidence about whether changes in inventory between the count date and the date of the financial statements are properly recorded. • We tested the purchase costs of a sample of inventory items by inspecting invoices. • We assessed the components of the costs included within inventory items to ensure that they are in conformity with the requirements of IAS 2. • We tested on a sample basis, the net realizable value by comparing costs to recent selling prices. • We assessed the listing of the nature of items presented within inventories and analyzed whether they meet the definition of inventories. • We read the disclosure made by the Company for compliance with disclosure requirements.
See note 11 to the financial statements	
Property, Plant & Equipment	
The carrying value of property, plant & equipment amounts to BDT 84,414,283. This represents a	Our audit procedures to assess the carrying value of property, plant & equipment included the following:

Key Audit Matter	How our audit addressed the key audit matters
<p>significant amount in the company's statement of financial position as at June 30, 2020.</p> <p>There is a risk of:</p> <ul style="list-style-type: none"> ✓ determining which costs meet the criteria for capitalization; ✓ determining the date on which the assets is recognized to property, plant and equipment and depreciation commences; ✓ the estimation of economic useful lives and residual values assigned to Fixed asset. <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.</p>	<ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values; • Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization. • Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents. • We reviewed minutes of board meetings for approval of the total capitalization cost. • We assessed the company's capitalizations policy for compliance with IAS 16 and tested the expenditure capitalized against the capitalizations policy. • We traced payments to supporting documents. • We assessed the adequacy of the disclosures of the financial statements.
See note no 8 to the financial statements.	
Deferred tax liability	
<p>Company reported net deferred tax liability BDT 35,049,545 as at June 30, 2020. Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p>	<p>Our audit procedures to assess the carrying value of Deferred Tax liability included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets and deferred tax Liabilities and the assumptions used in estimating the future taxable expense of the Company. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense. • We tested the mathematical accuracy in calculation of deferred tax. • We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of

Key Audit Matter	How our audit addressed the key audit matters
	<p>deferred tax liability.</p> <ul style="list-style-type: none"> • We assessed the adequacy of the Company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. • We also assisted in evaluating the tax implications, the reasonableness of estimations and calculations determined by management. • We also involved our internal experts from the tax area in the analysis of the reasonableness of the tax assumptions on the basis of the applicable legislation. • Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Taxes.
See note no 21 to the financial statements.	
COVID -19 impact on Financial Statements	
<p>COVID 19 is a force majeure event, unique in nature has devastated the world and mankind. Efforts are underway to contain and recover.</p> <p>The Challenges ahead are huge, that would be addressed both by invention and discoveries and also with cognizance to the nature and nurture. Last but not the least, there is always light at the other end of a tunnel.</p>	<p>Auditor's and the firms under force majeure event applied best judgments under the force majeure compulsion and the circumstances in developing alternative audit procedures to gather sufficient explanations as practicable.</p> <p>Regulatory initiatives and stimulus packages are under constant evaluations of the Government to sustain companies' operations. On collective success assurance upon COVID, AFL is committed to visualize that authority always flows from top to bottom, responsibility flows from bottom to top and communicating across AFL that, accountability cannot be delegated and escaped.</p> <p>Auditor's extended professional skepticism and judgment-based assurances under the circumstances, and relatively practicable support in the interest of Country's manufacturing business to a broader perspective.</p>

Other Matter

The financial statements of the Company for the year ended June 30, 2019, were audited by another auditor Malek Siddiqui Wali, Chartered Accountants, who expressed an unmodified opinion on those statements on October 20, 2019.

Other Information

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

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

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

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AFL's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on AFL's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AFL to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the AFL's business.

Dated: October 28, 2020
Place: Dhaka

Sd/-
A. K. M. Fazlul Haque FCA
Engagement Partner

Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

	NOTES	30.06.2020	Value in Taka 30.06.2019
ASSETS			
Non-Current Assets:		399,234,904	426,147,242
Property, Plant and Equipment	8	84,414,283	88,988,280
Investments	9	308,817,890	331,744,610
Security Deposits	10	6,002,731	5,414,352
Current Assets:		1,315,228,524	1,256,463,666
Inventories	11	901,079,255	889,149,386
Trade Receivables	12	104,922,745	-
Advance, Deposits & Prepayments	13	24,931,108	48,060,310
Other Receivables	14	80,394,857	122,924,197
Investment in Financial Assets	15	201,671,902	187,990,415
Cash & Cash Equivalents	16	2,228,657	8,339,358
TOTAL ASSETS		1,714,463,428	1,682,610,908
EQUITY AND LIABILITIES			
Shareholders' Equity:		687,904,775	709,205,670
Share Capital	17	57,024,000	57,024,000
Share Premium	18	209,088,000	209,088,000
Reserve and Surplus	19	184,581,358	185,248,205
Fair Valuation Surplus of Investments	20	237,211,417	257,845,465
Non-Current Liabilities:		38,324,417	42,839,092
Deferred Tax Liabilities	21	35,049,545	41,147,034
Long Term Loan	22	3,274,872	1,692,058
Current Liabilities:		988,234,236	930,566,146
Working Capital Loan (Secured)	23	754,195,475	744,293,057
Long Term Loan-Current Maturity	24	1,956,889	670,848
Short Term Loan	25	29,565,362	69,610,121
Trade Payables	26	123,793,761	31,650,971
Other Payables	27	32,046,882	28,479,206
Current Tax Liabilities	28	29,489,297	44,702,547
Other Liabilities	29	17,186,570	11,159,396
Total Liabilities		1,026,558,653	973,405,238
TOTAL EQUITY AND LIABILITIES		1,714,463,428	1,682,610,908
Net Assets Value (NAV) Per Share	42	120.63	124.37

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Place: Dhaka
Dated: October 28, 2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020**

		Value in Taka	
	NOTES	2019-2020	2018-2019
REVENUE	30	2,184,387,103	1,712,669,526
Cost of goods sold	31	(1,994,528,992)	(1,515,615,626)
GROSS PROFIT		189,858,111	197,053,900
Other operating income / (loss)	35	(56)	73
Administrative & selling overhead	36	(104,459,317)	(100,982,602)
OPERATING PROFIT/(LOSS)		85,398,738	96,071,371
Finance & Other Income	37	24,362,187	21,568,662
Financial expenses	38	(71,517,369)	(77,313,727)
PROFIT BEFORE PPF & WF		38,243,555	40,326,306
Provision for contribution to PPF & WF	39	(1,821,122)	(1,920,300)
PROFIT BEFORE TAX		36,422,433	38,406,006
Tax expenses:	40	(25,684,480)	(26,625,069)
Current tax		(29,489,297)	(21,299,272)
Deferred tax (expenses) / income		3,804,817	(5,325,797)
NET PROFIT / (LOSS) AFTER TAX		10,737,953	11,780,937
Other comprehensive income:			
Fair valuation surplus/(deficit) of investments	20	(20,634,048)	(70,378,884)
Fair valuation surplus/(deficit) during the year		(22,926,720)	(78,198,760)
Deferred tax income/(expense) on share valuation surplus		2,292,672	7,819,876)
TOTAL COMPREHENSIVE INCOME		(9,896,095)	(58,597,947)
Basic Earnings Per Share (EPS)	41	<u>1.88</u>	<u>2.07</u>

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zafar Ahmed
Chairman

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Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Place: Dhaka
Dated: October 28, 2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Value in Taka						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2019	57,024,000	209,088,000	51,162,905	133,478,300	607,000	257,845,465	709,205,670
Net profit after tax of 2019-20	-	-	-	10,737,953	-	-	10,737,953
Final dividend for the year 2018-19	-	-	-	(11,404,800)	-	-	(11,404,800)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	(20,634,048)	(20,634,048)
As at 30th June 2020	57,024,000	209,088,000	51,162,905	132,811,453	607,000	237,211,417	687,904,775

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2019

Particulars	Value in Taka						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2018	57,024,000	209,088,000	51,162,905	132,676,928	607,000	328,224,349	778,783,182
Prior years adjustment up to 2018 (Note:45)	-	-	-	304,796	-	-	304,796
Restated Opening Balance	57,024,000	209,088,000	51,162,905	132,981,724	607,000	328,224,349	779,087,978
Net profit after tax of 2018-19	-	-	-	11,780,937	-	-	11,780,937
Final dividend for the year 2017-18	-	-	-	(11,404,800)	-	-	(11,404,800)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	(70,378,884)	(70,378,884)
Prior year adjustment for the year 2019 (Note:45)	-	-	-	120,439	-	-	120,439
As at 30th June 2019	57,024,000	209,088,000	51,162,905	133,478,300	607,000	257,845,465	709,205,670

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Place: Dhaka
Dated: October 28, 2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2020

	Value in Taka	
	2019-20	2018-19
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from revenue	2,079,464,358	1,737,246,941
Income from SND	295	302
Bank Charges & Commission	(8,990,563)	(6,033,467)
Income tax paid	(24,293,110)	(18,309,559)
Payment for costs and expenses	(1,951,183,273)	(1,572,026,743)
Net cash generated from operating activities (a)	94,997,707	140,877,473
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(14,275,482)	(6,361,511)
Investment in Financial Assets	(13,681,487)	24,162,847
Income from FDRs	15,395,599	14,110,816
Income from Dividend	5,954,353	5,954,353
Net cash used in investing activities (b)	(6,607,018)	37,866,505
CASH FLOWS FROM FINANCING ACTIVITIES:		
Working capital loan received/(repaid)	9,902,418	(18,490,158)
Long term loan received/(repaid)	2,868,855	(611,927)
Short term loan received/(repaid)	(40,044,759)	(75,733,325)
Interest Paid	(61,850,222)	(73,791,779)
Dividend Paid	(5,377,626)	(9,190,791)
Net cash used in financing activities (c)	(94,501,334)	(177,817,980)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	(6,110,645)	925,998
Cash and cash equivalents on opening	8,339,358	7,413,287
The effect of foreign exchange translation gain / (loss)	(56)	73
Cash and cash equivalents on closing	2,228,657	8,339,358
Net operating cash flows per share (NOCFPS) 43	16.66	24.70

Annexed notes form an integral part of these Financial Statements.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Place: Dhaka
Dated: October 28, 2020

Sd/-
Hussain Farhad & Co.
Chartered Accountants

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flows per Share is Tk. 16.66 but it was Tk. 24.70 in 2018-19 which is mainly for Increase in trade receivables, Increase in payment for cost and expenses, increase in income tax paid and bank charges & commission paid. However, this scenario is changeable time to time depending on different issues.
- Please refer to **Annexure-1** for reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020**

1. The company and its operation:

1.01 Legal Form of the Enterprise:

Apex Foods Limited is a Public Limited Company registered under the Companies Act, 1913 (Repealed in 1994). The Company was incorporated in Bangladesh vide its RJSC registration No. C-6841(571) dated 21.03.1979. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. in Bangladesh.

1.02 Address of Registered Office and Factory:

The Registered Office is located at Rupayan Golden Age (5th & 6th Floor), 99 Gulshan Avenue, Gulshan, Dhaka-1212 and the Factory is located at 51-B Shagarika Road, Fouzderhat Industrial Estate, Pahartali, Chattogram.

1.03 Nature of Business Activities:

The Company owns and operates a modern Shrimps Processing Plant and exports 100% of its products in the foreign markets.

2. Basis of the preparation of the Financial Statements:

2.01 Accounting Convention and Basis:

These Financial Statements have been prepared under the Historical Cost Convention, accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) which do not vary from the requirements of the Companies Act, 1994 and the Listing Regulations of the Stock Exchanges, The Securities & Exchange Rules, 1987 and other laws and rules applicable in Bangladesh.

2.02 Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs):

To comply with ICAB guideline, the following IASs and IFRSs are applicable for the financial statements for the year under review:

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-39	Financial Instruments: Recognition and Measurement
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-15	Revenue from contracts with customers
IFRS-16	Leases

2.03 Compliance with local laws:

The Financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, The Securities & Exchange Rules, 1987, the Income Tax Ordinance, 1984, Income Tax Rules 1984, Value Added Tax and Supplementary Duty Act, 2012, Value Added Tax and Supplementary Duty Rules, 2016 and other relevant local laws and rules.

2.04 Compliance with International Financial Reporting Standards (IFRSs):

The Financial Statements have been prepared in compliance with requirements of IFRSs.

3. Significant Accounting Policy:**3.01 Property, Plant and Equipment:**

These are stated at historical cost less accumulated depreciation in accordance with IAS 16 "Property, Plant and Equipment".

3.01(i) Depreciation on Property, Plant and Equipment:

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. Depreciation has been charged on additions made during the year from the month in which those assets are ready to use. Depreciation is charged on all fixed assets except Land & Land Development at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets:

The rates of depreciation of each class of assets are as follows:

Factory Building	20 %
Plant & Machinery	20 %
Factory Equipments	20 %
Furniture & Fixtures	10 %
Office Equipments	20 %
Motor Vehicles	20 %
Crockeries	20 %

3.01(ii) Disposal of Property, Plant and Equipment:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and sales proceeds. There was no disposal of any Property, Plant and Equipment during the year 2019-20.

3.02 Inventories:

Inventories in hand have been valued at lower of cost or net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving items. The cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location & condition.

3.03 Investments:**Basis of fair value measurement:**

As fair value is a market based measurement, when measuring the fair value of an investment we considered the market value on Investments on reporting date.

3.04 Current and non-current assets and liabilities:

The Company presents assets and liabilities in statement of financial position based on current and non-current classification.

An asset is current when it is:

- i) Expected to be realized or intended to be sold or consumed in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realized within twelve months after the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months.

All other assets are classified as non-current.

A liability is current when it is:

- i) Expected to be settled in normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Due to be settled within twelve months after the reporting period; or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classified all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

3.05 Taxation:

Provision for income tax has been made as per requirements of the Income Tax Ordinance, 1984 and Income Tax Rules, 1984.

3.06 Income Tax:

The Company is a Publicly Traded Company, as per the Income Tax Ordinance, 1984. Since the Company is a 100% export oriented Sea Food Processing Industry, the tax provision has been made based on the highest of 12.50% (i.e. tax rate is 25% on business profit but the Company is 100% export oriented, so there is a rebate of 50%) or tax deducted at source @ 0.60% & 0.25% on export proceeds or tax on gross receipts @ 0.60% and provision has been made accordingly. However, the tax provision has been made @ 25% on interest income and 20% on dividend income as per provision of the Income Tax Ordinance, 1984 and Income Tax Rules 1984.

3.07 Deferred Tax:

Deferred tax assets or deferred tax liabilities have been accounted for in accordance with IAS 12 "Income Taxes". Deferred tax arises due to temporary difference, deductible or taxable for the events or transactions recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the financial statement. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal liability/recoverability to and from the Income Tax Authority.

3.08 Trade Receivables:

Trade bills receivables consist of export bill not negotiated with bank within 30.06.2020. Export bills receivables are recognized initially at the original invoice value.

3.09 Leases:

Management of AFL had decided in their meeting, dated February 02, 2020, that, AFL will shift its full office place from “Rupayan Golden Age (5th & 6th Floor)”, 99 Gulshan Avenue, Gulshan Dhaka-1212 to “SKYMARK” 18, Gulshan Avenue, Gulshan, Dhaka-1212, within June 30, 2020. As a result, AFL did not renew its current rent contract.

Due to COVID 19 pandemic crisis, AFL could not shift its office place within the decided time frame. Again, management of AFL had decided in their further meeting, dated September 27, 2020, that, AFL will shift its full office place from “Rupayan Golden Age (5th & 6th Floor)”, 99 Gulshan Avenue, Gulshan Dhaka-1212 to “SKYMARK” 18, Gulshan Avenue, Gulshan, Dhaka-1212, as soon as possible once the COVID 19 pandemic is controlled.

According to the primary assessment regarding lease for “office rent”, it has concluded that, AFL has taken current office rent for short term period which comply with IFRS 16. Due to this reason, instead of applying the recognition requirements of IFRS 16, AFL elect to account for lease payments as an expense on a straight-line basis over the period.

After shifting in new office place and according to the new contractual arrangement, AFL will account for IFRS 16.

3.10 Payables and Accrued Expenses:

Liabilities are recognized for amounts to be paid in future for goods and services received whether or not billed by the suppliers.

3.11 Earnings Per Share:

The Company calculates Earnings Per Share (EPS) in accordance with IAS 33 “Earnings Per Share” which has been shown on the face of statement of profit or loss and other comprehensive income and the computation of EPS is stated in Note 41.

3.11(i) Basic Earnings:

This represents earnings for the year attributable to ordinary shareholders. There was no preference dividend and minority interest. The net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.11(ii) Weighted Average Number of Ordinary Shares outstanding during the Year:

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

3.11(iii) Basic Earnings Per Share:

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

3.11(iv) Diluted Earnings Per Share:

No diluted EPS is required to be calculated for the year, as there was no scope for dilution during the year under review.

3.12 Statement of Cash Flows:

Statement of Cash Flows has been prepared in accordance with IAS 7 “Statement of Cash Flows” and the cash flows from the operating activities have been presented under direct method as required by the Securities and Exchange Rules, 1987 and considering the provisions of paragraph 19 of IAS 7 which provides that “Entities are Encouraged to Report Cash Flows from Operating Activities using the Direct Method”. Reconciliation of cash flow from operating activities under direct method & indirect method has been given in Annexure-1.

3.13 Foreign Exchange:

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”. The Closing conversion rate of USD was Tk. 84.05.

3.14 Revenue Recognition:

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The sale proceeds are accounted for upon shipments and after satisfying all other conditions for revenue recognition as provided in IFRS 15 “Revenue from contracts with customers”.

3.15 Other Income Recognition:

Other incomes have been recognized on accrual basis.

3.16 Employee Benefit Obligations:

The Company operates a contributory provident fund and a Group insurance scheme for its permanent employees. A Board of Trustee administrates the provident fund.

3.17 Contribution to PPF & WF:

This is being calculated at 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labor Act, 2006 (amended 2013 & 2017) and Bangladesh Labor Rules, 2015 and is payable to workers’ as defined in the said Act.

3.18 Risk and uncertainties for use of estimates in preparation of Financial Statements:

Preparation of Financial Statements in conformity with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, taxes, reserves and contingencies.

4. Financial Risk Management:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarized as follows:

- Credit risk
- Liquidity risk
- Market risk
- Price risk
- Interest rate risk
- Currency risk

4.01 Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. As the Company is 100% export oriented so the major customers of the Company are in UK, Netherlands, USA, Germany, Ukraine and Russia.

The Trade Receivables are due from foreign customers for export. The balances from foreign customers are secured against firm contracts/letters of credit. Management assesses the credit quality of foreign customers, taking into account their financial position, past experience and other factors. Trade receivable balances & the balances as on 30.06.2020 has subsequently been fully realized. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

4.02 Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (Investment in financial assets, cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient Investment in financial assets & cash and cash equivalents to meet expected operational expenses, including financial obligation through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the company may get support from the related company in the form of short term financing but till to date this was not required as the Company has not faced such a situation.

4.03 Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

4.04 Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does not have any financial instrument that expose the price risk.

4.05 Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no such foreign currency loan which is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

4.06 Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases though the purchase is very nominal, which, are entered in a currency other than BDT. The foreign currency transactions are mainly occurred in USD and during the year under review the conversion rate of USD into BDT have not fluctuate materially.

5. Capital risk Management:

The objective of the Company when managing capital, i.e., its shareholders' equity is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders or issue new shares.

6. Operating segments:

- These financial statements have been prepared on the basis of single reportable segment.
- All non-current assets of the Company as at 30th June 2020 are located in Bangladesh.

7. Others:**7.01 Comparative Information:**

Comparative information has been disclosed in respect of the year 2018-19 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

Last year's figures have been rearranged where considered necessary to conform to current year's presentation.

7.02 Reporting currency and level of precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded-off to nearest Taka.

7.03 Reporting period:

Financial Statements of the Company cover one financial year from 1st July to 30th June.

7.04 Components of the Financial Statements:

The Financial Statements include the following components as per IAS 1 "Presentation of Financial Statements".

- i) Statement of Financial Position as at 30th June, 2020.
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2020.
- iii) Statement of Changes in Equity for the year ended 30th June, 2020.
- iv) Statement of Cash Flows for the year ended 30th June, 2020 and
- v) Notes to the financial statements.

7.05 Authorization of the Financial Statements:

Financial statements were authorized for issue by the Board of Directors of the Company in its Board Meeting held on 28th October, 2020.

8. PROPERTY, PLANT AND EQUIPMENT: TK. 84,414,283

SL NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V. as at 30.06.20
		Balance as at 01.07.19	Addition during the year	Balance as at 30.06.20		Balance as at 01.07.19	For the year	Balance as at 30.06.20	
1	Land & Land Development	3,392,470	-	3,392,470		-	-	-	3,392,470
2	Factory Building	97,752,000	1,774,895	99,526,895	20	87,393,637	2,259,147	89,652,784	9,874,111
3	Plant & Machinery	522,535,119	11,379,147	533,914,266	20	458,540,474	14,760,791	473,301,265	60,613,001
4	Factory Equipments	38,393,214	568,570	38,961,784	20	33,694,278	1,003,237	34,697,515	4,264,269
5	Furniture & Fixtures	14,654,650	5,265	14,659,915	10	10,773,999	388,328	11,162,327	3,497,588
6	Office Equipments	17,031,448	694,682	17,726,130	20	14,799,653	505,286	15,304,939	2,421,191
7	Motor Vehicles	16,945,243	-	16,945,243	20	16,550,128	79,023	16,629,151	316,092
8	Crockerries	292,797	7,260	300,057	20	256,492	8,004	264,496	35,561
	Total	710,996,941	14,429,819	725,426,760		622,008,661	19,003,816	641,012,477	84,414,283

Charged to:
 Factory Overhead 18,023,175
 Administrative & selling overhead 980,641
19,003,816

PROPERTY, PLANT AND EQUIPMENT FOR 2018-19

SL NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V. as at 30.06.19
		Balance as at 01.07.18	Addition during the year	Balance as at 30.06.19		Balance as at 01.07.18	For the year	Balance as at 30.06.19	
1	Land & Land Development	3,392,470	-	3,392,470		-	-	-	3,392,470
2	Factory Building	96,155,809	1,596,191	97,752,000	20	85,001,659	2,391,978	87,393,637	10,358,363
3	Plant & Machinery	519,368,456	3,166,663	522,535,119	20	442,931,796	15,608,678	458,540,474	63,994,645
4	Factory Equipments	37,469,913	923,301	38,393,214	20	32,617,265	1,077,013	33,694,278	4,698,936
5	Furniture & Fixtures	14,620,950	33,700	14,654,650	10	10,345,511	428,488	10,773,999	3,880,651
6	Office Equipments	16,810,991	220,457	17,031,448	20	14,256,774	542,879	14,799,653	2,231,795
7	Motor Vehicles	16,945,243	-	16,945,243	20	16,451,349	98,779	16,550,128	395,115
8	Crockerries	292,797	-	292,797	20	247,416	9,076	256,492	36,305
	Total	705,056,629	5,940,312	710,996,941		601,851,770	20,156,891	622,008,661	88,988,280

Charged to:
 Factory Overhead 19,077,670
 Administrative & selling overhead 1,079,221
20,156,891

- Cash Credit (Hypo) was taken from Agrani Bank Limited, Agrabad Corporate Branch, Jahan Building, Agrabad C/A, Chattogram, which is fully secured against 1st charge on Land, Building, Plant & Machinery and all other Assets of the Company.

		<u>30.06.2020</u>	<u>30.06.2019</u>
9. INVESTMENTS: TK. 308,817,890			
In Shares:	Cost value		
Apex Spinning & Knitting Mills Limited (2,263,200 Shares of Tk. 10.00 each)	22,632,000	295,800,240	317,526,960
Apex Weaving & Finishing Mills Limited (2,000,000 Shares of Tk. 10.00 each)	20,000,000	10,400,000	11,600,000
Amam Sea Food Industries Limited (10,482 Shares of Tk. 100.00 each at par)	1,048,200	1,048,200	1,048,200
Central Depository Bangladesh Limited (571,181 Shares of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each)	1,569,450	1,569,450	1,569,450
	<u>45,249,650</u>	<u>308,817,890</u>	<u>331,744,610</u>

Market Price of Listed Companies Shares (As on 30.06.20)

Apex Spinning & Knitting Mills Ltd. (Last trade date 30.06.2020)	130.70	140.30
Apex Weaving & Finishing Mills Ltd. (Last trade date 26.06.2020)	5.20	5.80
Amam Sea Food Industries Ltd. (Last trade date 02.01.2011)	219	219

- Investments in shares of Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited have been valued at market price on 30.06.2020 as per IFRS- 9, "Financial Instruments.
- As the shares of Amam Sea Food Industries Limited had not traded during the year under review and the last trade date was on 02.01.2011, the price has been shown at face value.
- Investments in Apex Weaving & Finishing Mills Ltd. is under litigation, the civil suit no.191 (F) of 2018 with the Honorable High Court Division.

10. SECURITY DEPOSITS: TK. 6,002,731

Security Deposits to Bangladesh Power Development Board	903,000	903,000
Security Deposits for Office Rent	405,000	405,000
Security Deposits for TNT & Mobile	8,900	8,900
Security Deposits to BGSL/Karnaphuli Gas Distribution Co. Ltd.	4,097,452	4,097,452
Add: Addition for increase gas tariff	588,379	-
	4,685,831	4,097,452
	<u>6,002,731</u>	<u>5,414,352</u>

- Security Deposits are made to statutory bodies and hence secured.

11. INVENTORIES: TK. 901,079,255

	Qty. in Kg.		
Shrimps (Finished Goods)	877,343	895,705,211	885,375,417
Packing Materials	-	4,027,788	2,174,471
Chemical & Ingredients	-	1,346,256	1,599,498
	<u>877,343</u>	<u>901,079,255</u>	<u>889,149,386</u>

- The above Inventories are as per physical checking made, valued and certified by the Internal Auditors and Management.
- Inventories in hand have been valued at lower of cost or net realizable value.
- The Company is availing working capital loan facilities against pledge of finished goods.

	<u>30.06.2020</u>	<u>30.06.2019</u>
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12. TRADE RECEIVABLES: TK. 104,922,745

Export Bills Receivable	<u>104,922,745</u>	<u> -</u>
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The age analysis of trade receivables as on 30.06.2020 is shown below:

<u>Age analysis</u>	<u>Taka</u>	<u>Taka</u>
0 to 30 days	104,922,745	-
31 days to 60 days	-	-
	<u>104,922,745</u>	<u> -</u>
	=====	=====

- There was no foreign exchange gain or loss as the export bills are negotiated with the Agrani Bank Limited on the date of B/L received.
- The ageing of the trade receivables shows that the receivables are maximum 30 (Thirty) days and these are considered good and subsequently realized in full.

13. ADVANCE, DEPOSITS AND PREPAYMENTS: TK. 24,931,108

Advance against Expenses	1,146,294	872,798
Prepayments	3,303,993	4,242,566
Advance Income Tax 13.(a)	20,051,737	40,461,174
Bank Guarantee Margin	429,084	429,084
L/C margin with Agrani Bank Limited	-	2,054,688
	<u>24,931,108</u>	<u>48,060,310</u>
	=====	=====

13. (a) ADVANCE INCOME TAX: TK. 20,051,737

Opening Balance	40,461,174	40,929,585
Add: Paid during the year	24,293,110	18,309,559
	<u>64,754,284</u>	<u>59,239,144</u>
Less: Adjustment for the AY 2018-2019	(23,403,275)	(18,777,970)
Less: Adjustment for the AY 2019-2020	(21,299,272)	-
	<u>20,051,737</u>	<u>40,461,174</u>
	=====	=====

- Advance against expenses are adjusted regularly and considered good.
- Prepayments and Advance Income Tax are made to statutory bodies and hence secured.
- No amount was due by the Directors and other officers of the Company or by associated undertaking.

14. OTHER RECEIVABLES: TK. 80,394,857

Insurance Claim Receivable	16,254,727	16,254,727
Cash Incentive Receivable	51,648,869	97,190,149
FDR's Interest Receivable	11,928,730	8,952,488
PF Lapse (Employer's Portion)	562,531	526,833
	<u>80,394,857</u>	<u>122,924,197</u>
	=====	=====

30.06.2020 **30.06.2019**

- Insurance Claim was receivable from Insurance Company against deterioration of stock because of machinery break down. Appropriate claim has been lodged with the Insurance Company in 1997. The claim is under litigation and pending with the High Court Division.
- Cash incentive receivable represents the amount receivable from Bank against cash incentive. The amount will be received from the Bangladesh Bank through Agrani Bank Limited.
- The ageing of the Cash incentive receivable are maximum 06 (Six) months.
- FDR's interest receivable represents the provision of interest receivable on FDR's up to 30.06.2020.
- PF Lapse (Employer's Portion) receivable represents the provision of PF Lapse receivable on (Employer's Portion) up to 30.06.2020 as per Financial Reporting Act 2015.

15. INVESTMENT IN FINANCIAL ASSETS: TK. 201,671,902

FDRs with Dhaka Bank Ltd., Foreign Exchange Br., Dhaka	178,071,902	165,890,415
FDRs with Agrani Bank Ltd., Agrabad Corporate Br., Chattogram	23,600,000	22,100,000
	<u>201,671,902</u>	<u>187,990,415</u>

- FDR's are made for more than 3 (three) months.

16. CASH AND CASH EQUIVALENTS: TK. 2,228,657

Cash in Hand:

Head Office	18,812	19,989
Factory Office	53,708	16,456
	<u>72,520</u>	<u>36,445</u>

Cash at Bank with:

Agrani Bank Ltd., ESA A/C, Agrabad Corporate Br., Chattogram	216,874	184,781
Agrani Bank Ltd., FCY A/C, Agrabad Corporate Br., Chattogram	17,389	3,794,698
Eastern Bank Ltd., SND A/C, Principal Branch, Dhaka	28,675	29,560
The Hongkong & Shanghai Banking Corporation Ltd., CD A/C, Dhaka	76,279	761,863
The Hongkong & Shanghai Banking Corporation Ltd., (CD-Div. A/C), Dhaka	1,796,833	3,525,407
Dhaka Bank Ltd., CD A/C, Foreign Exchange Br., Dhaka	20,087	6,604
	<u>2,156,137</u>	<u>8,302,913</u>
	<u>2,228,657</u>	<u>8,339,358</u>

- Cash in hand was physically counted and verified at the year ended as on 30.06.2020. All Bank balances were reconciled and confirmed by bank statements.
- Foreign currency Account balances in USD are given below which has converted in BDT. The Closing conversion rate of USD was Tk. 84.05 on 30.06.2020 as compared to Tk. 83.70 on 30.06.2019.

	<u>In USD</u>	<u>In USD</u>
Agrani Bank Ltd., FCY A/C, Agrabad Corporate Br., Chattogram	<u>206.89</u>	<u>45,336.89</u>

30.06.202030.06.2019**17. SHARE CAPITAL: TK. 57,024,000****Authorized Capital:**

15,000,000 Ordinary Shares of Tk. 10/= each	150,000,000	150,000,000
	=====	=====

Issued, Subscribed & Paid up Capital:

5,702,400 Ordinary Shares of Tk. 10/= each	57,024,000	57,024,000
	=====	=====

Allotment Date	Types of Issue	No. of Share	Face value of Per Share	Amount (BDT)	Basis of allotment
21 st March 1979 during Incorporation	Ordinary	100	100	10,000	Cash (by Bank)
Allotted during the year 1979-80	Ordinary	21,900	100	2,190,000	Cash (by Bank)
Allotted during the year 1981-82	Ordinary	22,000	100	2,200,000	IPO
Allotted during the year 1985-86	Bonus	8,800	100	880,000	Bonus Share
Allotted during the year 1989-90	Bonus	10,560	100	1,056,000	Bonus Share
Allotted during the year 1993-94	Bonus	63,360	100	6,336,000	Bonus Share
Allotted during the year 1994-95	Bonus	63,360	100	6,336,000	Bonus Share
Allotted during the year 1996-97	Bonus	190,080	100	19,008,000	Bonus Share
Allotted during the year 1996-97	Right	190,080	100	19,008,000	Right Share
		570,240		57,024,000	
Split the share price as on 13.11.2011		5,702,400	10	57,024,000	BSEC notification

- There was no preference share issued by the Company.

Composition of Shareholdings (As on 30.06.2020):

Sponsors & Directors	38.96%	38.96%
Institutions	4.50%	4.63%
Public - Local	56.54%	56.41%
	100.00%	100.00%
	=====	=====

The distribution showing the number of shareholders and their shareholdings in percentages are as follows:

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
2,794	Less than & equal 500 Shares	398,220	6.98
824	501 to 5,000 Shares	1,250,120	21.92
47	5,001 to 10,000 Shares	331,953	5.82
21	10,001 to 20,000 Shares	271,593	4.76
6	20,001 to 30,000 Shares	155,073	2.72
4	30,001 to 40,000 Shares	155,000	2.73
1	40,001 to 50,000 Shares	43,973	0.77
1	50,001 to 100,000 Shares	64,018	1.12
2	100,001 to 200,000 Shares	325,490	5.71
3	Over 200,000 Shares	2,706,960	47.47
3,703		5,702,400	100.00
=====		=====	=====

	<u>30.06.2020</u>	<u>30.06.2019</u>
18. SHARE PREMIUM: TK. 209,088,000		
	209,088,000	209,088,000
	=====	=====

- This represents premium of Tk. 1,100 per Share of 190,080 Right Shares of Tk. 100 each.

19. RESERVE AND SURPLUS: TK. 184,581,358

This represents the following:

Reserve for Re-investment	51,162,905	51,162,905
Retained Earnings	132,811,453	133,478,300
Capital Gain	607,000	607,000
	184,581,358	185,248,205
	=====	=====

- Reserve for Re-investment represents Tax Holiday Reserve made up to the Tax Holiday period of the Company as per requirements of the Income Tax Ordinance, 1984 and the capital gain represents the difference between sale proceeds less face value of Shares of Amam Sea Food Industries Limited in 2002-03. The reserve and surplus is utilized in the Company's business.

20. FAIR VALUATION SURPLUS OF INVESTMENTS: TK. 237,211,417

Opening Balance	257,845,465	328,224,349
Adjustment for fair valuation surplus/(deficit) during the year	(22,926,720)	(78,198,760)
Less: Deferred Tax @10%	2,292,672	7,819,876
Fair valuation surplus/(deficit) during the year	(20,634,048)	(70,378,884)
	237,211,417	257,845,465
	=====	=====

- Fair valuation surplus/(deficit) of investments represents the difference between market value of the listed Company's shares (Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited) on the closing date and the cost price after adjustment of deferred tax.

21. DEFERRED TAX LIABILITIES: TK. 35,049,545

(a) Deferred tax liabilities on Depreciable Assets	405,033	408,676
(b) Deferred tax liabilities on foreign currency translation gain/(loss)	(14)	18
(c) Deferred tax liabilities on FDRs Interest Receivable	2,982,183	2,238,122
(d) Deferred tax liabilities on PF Lapse (Employers Portion) Receivable	140,633	131,708
(e) Deferred tax liabilities on Cash Incentive Receivable	5,164,887	9,719,015
(f) Deferred tax liabilities on Fair valuation surplus of Investments	26,356,824	28,649,495
	35,049,545	41,147,034
	=====	=====

- The provision for deferred tax (expenses)/income is made to pay/adjust future income tax liability/(asset) due to accumulated temporary differences. This has been raised mainly for fair valuation of Investments as per IAS 12. The details are given below:

	<u>30.06.2020</u>	<u>30.06.2019</u>
a) Book Value of Depreciable Assets	84,414,283	88,988,280
Tax base of Depreciable Assets	<u>81,174,018</u>	<u>85,718,871</u>
Net Taxable Temporary Difference	3,240,265	3,269,409
Effective Tax Rate	12.50%	12.50%
Closing Deferred Tax (Assets)/Liabilities arising from depreciable assets	<u>405,033</u>	<u>408,676</u>
Opening Deferred Tax Balance	408,676	420,873
Deferred Tax (Expenses)/Income	3,643	12,197
b) Foreign currency translation gain/(loss) (unrealized)	(56)	73
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from unrealized Foreign currency translation gain/(loss)	(14)	18
Opening Deferred Tax Balance	<u>18</u>	<u>170</u>
Deferred Tax (Expenses)/Income	32	152
c) Unrealized Interest on FDRs	11,928,730	8,952,488
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from unrealized FDRs Interest	<u>2,982,183</u>	<u>2,238,122</u>
Opening Deferred Tax Balance	<u>2,238,122</u>	<u>1,862,325</u>
Deferred Tax (Expenses) / Income	<u>(744,061)</u>	<u>(375,797)</u>
d) PF Lapse (Employer's Portion) Receivable	562,531	526,833
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from PF Lapse (Employer Portion) Receivable	<u>140,633</u>	<u>131,708</u>
Opening Deferred Tax Balance	131,708	30,110
Deferred Tax (Expenses) / Income	<u>(8,925)</u>	<u>(101,599)</u>
e) Cash Incentive Receivable	51,648,869	97,190,149
Effective Tax Rate	10.00%	10.00%
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	<u>5,164,887</u>	<u>9,719,015</u>
Opening Deferred Tax Balance	9,719,015	4,786,777
Deferred Tax (Expenses) / Income	<u>4,554,128</u>	<u>(4,932,238)</u>
Deferred Tax (Expenses) / Income (a+b+c+d+e)	<u>3,804,817</u>	<u>(5,325,797)</u>
	=====	=====
f) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments	26,356,824	28,649,495
Revaluation of property	-	-
Actuarial gain on defined benefit pension schemes	-	-
Foreign exchange gain for foreign operation	-	-
Closing Deferred Tax (Assets)/Liabilities arising from investments	<u>26,356,824</u>	<u>28,649,495</u>
Opening Deferred Tax Balance	28,649,495	36,469,371
Deferred Tax (Expenses)/Income arising from investments	2,292,671	7,819,876
	-----	-----
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e+f)	35,049,545	41,147,034
	=====	=====

	<u>30.06.2020</u>	<u>30.06.2019</u>
22. LONG TERM LOAN: TK. 3,274,872		
(a) Term Loan: Tk. 909,376		
Opening Balance	2,362,906	2,974,834
Add: Loan taken during the year	-	-
Less: Paid during the year	<u>(679,391)</u>	<u>(611,928)</u>
	1,683,515	2,362,906
Less: Transferred to current maturity to next 12 months installment	<u>(774,139)</u>	<u>(670,848)</u>
	909,376	1,692,058
	=====	=====
(b) Stimulus Salary Loan: Tk. 2,365,496		
Loan taken during the year	3,548,246	-
Less: Paid during the year	-	-
Less: Transferred to current maturity after start from next 06 months installment	<u>(1,182,750)</u>	<u>-</u>
	2,365,496	-
	=====	=====
LONG TERM LOAN (a+b)	<u>3,274,872</u>	<u>1,692,058</u>

- This represents the term loan taken from Dhaka Bank Limited, Foreign Exchange Branch, 100 Motijheel C/A, Dhaka for procurement of one plate freezer. Initial facility was available for Tk. 3.49 million and the tenure is 60 months. The loan bears interest @ 12.00% p.a. presently but it was initially 8.50% p.a. The loan was taken against a full set of charge documents of the Bank. Initial equal monthly installment (EMI) size was Tk. 71,820.47 but now it is Tk. 74,761.25, however the bank can re-fixed the interest rate and EMI time to time as per their Board decision.
- Company has availed the above loan to meet up salaries & wages expenses as per Government declaration of Stimulus fund under BRPD Circular no. 07 dated 2nd April 2020 and subsequent Circular in this regard. Repayment to be made in 18 equal monthly installments including 6 months moratorium period & bears charges @ 2% on of loan amount from Agrani Bank Limited, Agrabad Corporate Branch, Jahan Building , Agrabad C/A, Chattogram.

23. WORKING CAPITAL LOAN (SECURED): TK. 754,195,475

CC (Hypo) from Agrani Bank Limited, Agrabad Corporate Branch, Chattogram	131,618,279	132,440,157
CC (Pledge) from Agrani Bank Ltd., Agrabad Corporate Branch, Chattogram	622,577,196	611,852,900
	<u>754,195,475</u>	<u>744,293,057</u>
	=====	=====

- The Working Capital Loan was taken from Agrani Bank Limited, Agrabad Corporate Branch, Jahan Building, Agrabad C/A, Chattogram, which is fully secured against 1st charge on Land, Building, Plant & Machinery and all other Assets of the Company and Pledge of Finished Goods.
- The Company has Cash Credit facilities of Tk. 78.00 Crore (Hypothecation Tk. 18.00 Crore & Pledge of finished goods Tk. 60.00 Crore) which has been fully availed. Apart from this, the Company has no such other credit facilities. The Loan bears interest @ 7.05% p.a. from 01.07.2019 to 30.09.2019, @ 7.00% p.a. from 01.10.2019 to 31.12.2019, @ 7.05% p.a. from 01.01.2020 to 31.03.2020 & @ 7.69% p.a. from 01.04.2020 to 30.06.2020.

30.06.202030.06.2019**24. LONG TERM LOAN-CURRENT MATURITY: TK. 1,956,889**

Long Term Loan	774,139	670,848
Stimulus Salary Loan	1,182,750	-
	-----	-----
	1,956,889	670,848
	=====	=====

- Long Term loan taken from Dhaka Bank Limited and present interest rate is 12.00% p.a. and the above amount represents the current portion of Long Term Loan liability payable in next twelve months.

25. SHORT TERM LOAN: TK. 29,565,362

Dhaka Bank Limited	29,565,362	69,610,121
	-----	-----
	29,565,362	69,610,121
	=====	=====

- Loan from Dhaka Bank Limited, Foreign Exchange Branch, Dhaka against lien on FDRs and the loan bear average interest @ 12.50% p.a. The Loan limit with Dhaka Bank Limited is Tk. 100.00 million.

26. TRADE PAYABLES: TK. 123,793,761

Shrimp Purchased	123,793,761	31,650,971
	=====	=====

- Shrimps are purchased directly from the Shrimps cultivators i.e. the owner of the Gher and price are fixed after bargaining on the respective day of the purchase. All trade payables were paid in full subsequently.

	<u>30.06.2020</u>	<u>30.06.2019</u>
27. OTHER PAYABLES: TK. 32,046,882		
Advance against export	-	1,525,006
Audit Fees including VAT	402,500	230,000
Chemicals	546,769	53,069
Clearing & Forwarding	655,444	183,066
Consumable Stores & Spares	61,903	91,387
Contribution to PPF & WF	1,821,122	1,920,300
Contribution to Provident Fund	55,872	34,823
Directors' Remuneration	775,000	775,000
Electricity & WASA Charges	65,906	63,376
Entertainment	5,672	9,082
Factory Building	36,000	7,000
Factory Equipments	27,799	-
Ice	731,867	1,399,159
Interest Payable on Overdraft	788,154	-
Interest Payable on CC Hypo & Pledge A/C	-	111,570
Legal & Professional Fees	9,200	200,600
License & Renewals	30,000	-
Newspaper & Periodicals	230	4,382
Ocean Freight	566,191	-
Office Maintenance	44,765	111,327
Packing Materials	17,107,515	13,524,070
Plant & Machinery	152,538	55,000
Power, Fuel and Water	65,000	-
Postage & Stamps	12,873	-
Printing & Stationery	46,045	45,181
Rent, Rates & Taxes	249,768	206,121
Repairs (Factory Building)	44,440	-
Repairs (Machinery & Equipment)	990,681	1,270,373
Salaries & Allowances	2,186,495	2,346,560
Sales Promotion Expenses	-	715,492
Sanitation Expenses	84,878	-
Staff Income Tax	123,770	124,308
Staff Welfare	70,200	104,400
Survey Fees & Inspection	40,250	56,350
Telephone, Telex & Fax	18,304	24,211
Uniform & Liveries	161,613	195,230
Wages & Salaries	3,999,993	3,045,593
Vehicles Maintenance	68,125	47,170
	-----	-----
	32,046,882	28,479,206
	=====	=====

- All other payables have been fully paid subsequently except contribution to PPF & WF and Audit Fees.

	<u>30.06.2020</u>	<u>30.06.2019</u>
28. CURRENT TAX LIABILITIES: TK. 29,489,297		
Opening Balance	44,702,547	42,181,245
Add: Current year tax	29,489,297	21,299,275
	<u>74,191,844</u>	<u>63,480,517</u>
Less: Adjustment against assessment year 2018-2019	(23,403,275)	(18,777,970)
Less: Adjustment against assessment year 2019-2020	(21,299,272)	-
	<u>29,489,297</u>	<u>44,702,547</u>
	=====	=====

- This represents the tax liability up to the year 2019-20. Assessments have been completed up to income year 2017-18 & 2018-19 and assessment figures (Liability/Advance) has been adjusted with the Accounts.

29. OTHER LIABILITIES: TK. 17,186,570

Unclaimed Dividend	<u>17,186,570</u>	<u>11,159,396</u>
Opening Balance	11,159,396	8,945,387
Add: Dividend approved at AGM	11,404,800	11,404,800
	<u>22,564,196</u>	<u>20,350,187</u>
Less: Paid during the year up to 30.06.2020	(5,377,626)	(9,190,791)
	<u>17,186,570</u>	<u>11,159,396</u>
	=====	=====

- Unclaimed dividend represents the dividend warrants of Tk. 17,186,570.00 not presented to Bank by the Shareholders within June 30, 2020. As on September 30, 2020 the payable amount was Tk. 16,453,223.60. The details of unclaimed dividend as on 30.06.2020 is as under:

<u>Year</u>	<u>Taka</u>
Up to 2015-16	7,287,511.20
2016-17	1,490,284.00
2017-18	2,288,647.40
2018-19	6,120,127.40
	<u>17,186,570.00</u>

			<u>2019-2020</u>	<u>2018-2019</u>
30. REVENUE: TK. 2,184,387,103				
Export of Shrimps	<u>Qty. in Kg.</u>	<u>US\$</u>		
	2,190,208	26,050,731.41	2,184,387,103	1,712,669,526
	<u>2,190,208</u>	<u>26,050,731.41</u>	<u>2,184,387,103</u>	<u>1,712,669,526</u>
	=====	=====	=====	=====

2019-2020**2018-2019**

- Country wise break up of the Export for the year 2019-20:

<u>Name of the Countries</u>	<u>Quantity in KG</u>	<u>USD</u>
Belgium	56,000	6,122,825.00
Canada	39,327	959,280.00
Germany	322,000	3,148,850.00
Netherlands	494,170	5,354,380.00
New Zealand	8,560	89,960.00
Russia	64,100	744,091.60
Switzerland	17,000	571,200.00
Ukraine	72,000	614,974.00
UK	715,619	3,230,603.81
USA	<u>401,432</u>	<u>5,214,567.00</u>
	<u>2,190,208</u>	<u>26,050,731.41</u>

31. COST OF GOODS SOLD: TK. 1,994,528,992

	<u>Qty. in Kg. Notes</u>		
Opening Stock of Finished Goods	907,236	885,375,417	868,082,873
Add: Cost of Production	<u>2,160,315</u>	32 <u>2,004,858,786</u>	<u>1,532,908,170</u>
	3,067,551	2,890,234,203	2,400,991,043
Less: Closing Stock of Finished Goods	<u>(877,343)</u>	(895,705,211)	(885,375,417)
	2,190,208	-----	-----
	=====	1,994,528,992	1,515,615,626
		=====	=====

32. COST OF PRODUCTION: TK. 2,004,858,786

	<u>Qty. in Kg. Notes</u>		
Shrimp Purchased	2,469,172	1,842,515,444	1,368,703,697
Packing Materials, Chemicals, Ice and Ingredients consumed	33	57,075,083	65,576,331
Direct Labor		26,407,240	25,734,843
Factory Overhead	34	78,861,019	72,893,299
		-----	-----
		2,004,858,786	1,532,908,170
		=====	=====

- Cash incentive adjusted with the raw materials purchase.

	<u>2019-2020</u>	<u>2018-2019</u>
33. PACKING MATERIALS, CHEMICALS, ICE & INGREDIENTS CONSUMED: TK. 57,075,083		
(a) Opening Balance (Packing Materials)	2,174,471	9,123,810
Add: Packing Materials Purchase	45,976,800	43,856,283
	-----	-----
	48,151,271	52,980,093
Less: Packing Materials in hand	(4,027,788)	(2,174,471)
	-----	-----
	<u>44,123,483</u>	<u>50,805,622</u>
(b) Opening balance (Chemical & Ingredients)	1,599,498	3,201,724
Add: Chemicals, Ice and Ingredients Purchase	12,698,358	13,168,483
	-----	-----
	14,297,856	16,370,207
Less: Chemical and Ingredients in hand	(1,346,256)	(1,599,498)
	-----	-----
	<u>12,951,600</u>	<u>14,770,709</u>
Total (a+b)	<u>57,075,083</u>	<u>65,576,331</u>
	=====	=====

34. FACTORY OVERHEAD: TK. 78,861,019

Wages & Salaries	24,297,272	22,968,139
Bonus to Workers'	328,269	345,830
Power, Fuel & Water	25,295,409	21,484,224
Consumable Stores & Spares	868,931	1,017,603
Insurance premium	3,955,955	2,081,389
Repair & Maintenance	6,064,938	5,894,289
Carriage Inward	27,070	24,155
Depreciation	18,023,175	19,077,670
	-----	-----
	<u>78,861,019</u>	<u>72,893,299</u>
	=====	=====

35. OTHER OPERATING INCOME / (LOSS): TK. (56)

Foreign Currency Translation Gain / (Loss)	(56)	73
	=====	=====

Foreign currency translation gain / (loss) represents the difference between the closing conversion rate and the ledger conversion rate of FCY Account as on 30.06.2020.

	<u>2019-2020</u>	<u>2018-2019</u>
36. ADMINISTRATIVE AND SELLING OVERHEAD: TK. 104,459,317		
Advertisement	213,266	214,743
AGM Expenses	117,357	151,655
Audit Fee (Including VAT)	402,500	230,000
Board Meeting Fees	15,500	27,500
Bonus to Staff	2,036,506	2,246,405
Contribution to Provident Fund	1,537,860	1,643,649
Depreciation	980,641	1,079,221
Directors' Remuneration	9,300,000	9,300,000
Donation & Subscription	22,000	14,000
Electricity & WASA Charges	397,292	354,108
Entertainment	495,291	591,850
Freight, Forwarding & Export Expenses	33,695,891	31,145,223
General Fees & Charges	55,799	45,200
Guest House Expenses	619,396	640,225
Laboratory Expenses	315,930	166,480
Laboratory Testing Fees	6,657,359	5,849,099
Legal & Professional Fees	66,700	270,700
License & Renewals	825,994	781,540
Medical Expenses	6,837	6,828
Membership Subscription	10,800	10,000
Newspaper & Periodicals	44,684	60,370
Office Maintenance	531,063	584,940
Postage & Stamp	378,999	391,064
Printing & Stationery	766,336	850,414
Rent, Rates & Taxes	3,076,286	3,071,881
Salaries & Allowances	27,418,159	26,104,640
Sales Commission	3,397,132	-
Sales Promotion Expenses	5,666,176	9,763,911
Sanitation Expenses	197,403	154,723
Staff Fooding	596,497	556,972
Staff Welfare Expenses	937,108	1,136,809
T.A & Conveyance	1,085,354	1,196,680
Telephone, Telex & Fax	468,068	486,022
Uniform & Liveries	591,273	459,444
Vehicles Maintenance	1,531,860	1,396,306
	<u>104,459,317</u>	<u>100,982,602</u>
	=====	=====

- Directors' Remuneration paid to the Directors for their full time service rendered are:

(a) Mr. Zafar Ahmed	4,800,000	4,800,000
(b) Mr. Ashim Kumar Barua	3,900,000	3,900,000
(c) Mr. Kazi Faruq Kader	<u>600,000</u>	<u>600,000</u>
	<u>9,300,000</u>	<u>9,300,000</u>

- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.
- Sales promotion expenses include cost of samples and courier cost for distribution of free samples to the buyers.
- There are **7 (Seven)** Board Meetings held during the year.

	<u>2019-2020</u>	<u>2018-2019</u>
37. FINANCE & OTHER INCOME: TK. 24,362,187		
Dividend Income:		
Dividend from Apex Spinning & Knitting Mills Ltd.	4,526,400	4,526,400
Dividend from CDBL	1,427,953	1,427,953
	-----	-----
	5,954,353	5,954,353
Interest Income on FDRs	18,371,841	15,614,007
Interest Income on SND Account	295	302
PF Lapse (Employer's Portion)	35,698	-
	-----	-----
	24,362,187	21,568,662
	=====	=====
38. FINANCIAL EXPENSES: TK. 71,517,369		
Interest	62,526,806	71,280,260
Charges	8,990,563	6,033,467
	-----	-----
	71,517,369	77,313,727
	=====	=====
39. PROVISION FOR CONTRIBUTION TO PPF & WF: TK.	<u>(1,821,122)</u>	<u>(1,920,300)</u>

This represents 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labor Act, 2006 (Amended 2013 & 2017) and Bangladesh Labor Rules, 2015 and is payable to workers' as defined in the said Act.

40. TAX EXPENSES:

(a) Current Tax	29,489,297	21,299,272
(b) Deferred Tax (expenses) / income - (Note-21)	3,804,817	(5,325,797)

The current tax comprises of the following:

On other income:

Interest income	3,848,973	3,527,780
Dividend income	1,190,870	1,190,870
	5,039,843	4,718,650
Tax on Cash Incentive	14,187,100	6,157,140
Tax on Export (i.e. on gross receipt)	10,262,354	10,423,482
	-----	-----
	29,489,297	21,299,272
	=====	=====

- Current tax represents estimated Income Tax for the period from **1st July 2019 to 30th June 2020**. As the Company is a Publicly Traded Company, as per the Income Tax Ordinance, 1984 and the Company is also a 100% export oriented Sea Food Processing Industry, the tax rate of the Company is 25%. Tax provision has been made on the basis of the highest of 12.50% (i.e. tax rate is 25% on business profit but the Company is 100% export oriented, so there is a rebate of 50%) or tax deducted at source @ 0.60% & 0.25% on export proceeds or tax on gross receipts @ 0.60% and provision has been made accordingly. However, the tax provision has been made @ 25% on interest income and 20% on dividend income as per provision of the Income Tax Ordinance, 1984.
- The provision for deferred tax (expenses) / income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

2019-2020 2018-2019

41. BASIC EARNINGS PER SHARE (EPS) – DISCLOSURE UNDER IAS 33 “EARNINGS PER SHARE”:

Earnings attributable to Ordinary Shareholders

Basic EPS = $\frac{\text{Earnings attributable to Ordinary Shareholders}}{\text{Weighted average number of ordinary shares outstanding during the year 2019-20}}$

Basic Earnings Per Share (EPS)	=	$\frac{10,737,953}{5,702,400}$	=	1.88		$\frac{11,780,937}{5,702,400}$	=	2.07
---------------------------------------	----------	--------------------------------	----------	-------------	--	--------------------------------	----------	-------------

- Weighted average number of Ordinary Shares outstanding during the year 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 number of days the specific number of shares are outstanding as a proportion of the total number of days in the period.
- There was significant variance occurs between quarterly performance and annual financial statements, as the EPS up to 3rd quarter was Tk. (4.58) but it became Tk. 1.88 annually which is a result of efficiently running of the Company as well as cost minimization which is a sign of profitability is in upward trend.

42. NET ASSETS VALUE (NAV) PER SHARE:

Net Assets (Total Assets – Total Liabilities)

NAV Per Share = $\frac{\text{Net Assets (Total Assets – Total Liabilities)}}{\text{Number of ordinary shares outstanding}}$

Net Assets Value (NAV) Per Share	=	$\frac{687,904,775}{5,702,400}$	=	120.63		$\frac{709,205,670}{5,702,400}$	=	124.37
---	----------	---------------------------------	----------	---------------	--	---------------------------------	----------	---------------

Net Assets Value (NAV) per share is Tk. 120.63 as on 30.06.2020 but it was Tk. 124.37 as on 30.06.2019. The main reason for decreasing NAV due to decrease in share price of Investments. There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

43. NET OPERATING CASH FLOWS PER SHARE (NOCFPS):

Net Operating Cash Flows

NOCFPS = $\frac{\text{Net Operating Cash Flows}}{\text{Number of ordinary shares outstanding}}$

Net Operating Cash Flows Per Share (NOCFPS)	=	$\frac{94,997,707}{5,702,400}$	=	16.66		$\frac{140,877,473}{5,702,400}$	=	24.70
--	----------	--------------------------------	----------	--------------	--	---------------------------------	----------	--------------

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flows per Share is Tk. 16.66 but it was Tk. 24.70 in 2018-19 which is mainly for Increase in trade receivables, increase in payment for costs and expenses. However, this scenario is changeable time to time depending on different issues.

44. DISCLOSURE REGARDING REARRANGEMENT:

- Forfeiture amount of Provident Fund (Employer's Portion) has been accounted for as income under Finance & Other Income (**Note: 37**) in the statement of Profit or Loss and Other Comprehensive Income & statement of changes in equity. Also few restructures have been made in the Statement of Profit or Loss and Other Comprehensive Income for better presentation.
- Interest Income from SND has been shown in "Cash Flows from Operating Activities" in the Statement of Cash Flows in current year presentation.
- Income from Dividend & FDRs have been shown separately in "Cash Flows from Investing Activities" in the Statement of Cash Flows in current year presentation.

45. PRIOR YEAR ADJUSTMENT:

The comparative financial statements have been adjusted due to recognition of PF Lapse (Employer's Portion) in other receivables and deferred tax on such receivables in accordance with Financial Reporting Council notification no.: 179/FRC/FRM/notification/2020/2, dated July 07, 2020. The comparative financial statements have been adjusted due to recognition of PF Lapse (Employer's Portion) in other receivables and deferred tax on such receivables in accordance with Financial Reporting Council (FRC) notification. Upon such adjustment amount taka 526,833/- has been recognized in the opening PF lapse receivable and tax at 25% of such forfeited amount of taka 131,708/- has been accounted for in the opening balance of deferred tax liabilities as at July 01, 2018. Accordingly, the amount of taka 395,125/- has been transferred to retained earnings.

According to the above mentioned notification of FRC regarding forfeiture amount of employer's contribution to provident fund has returned back to the Company's annual statements and shown as other income during the respective financial year.

46. EVENTS AFTER REPORTING PERIOD:**a) Proposed Dividend:**

The Board of Directors recommended cash Dividend of Tk. 1.50/- per Share for the year 2019-20 at the Board Meeting held on October 28, 2020. The total amount of Dividend is Tk.8,553,600/-.

b) Effect of COVID 19:

Due to Corona Virus (COVID-19) pandemic from January 2020 & worldwide lockdown, our industry has been badly affected. Foreign Buyers have cancelled contracts indiscriminately. As a result, to keep the factory running & not sack workers & employees, we have been / are being compelled to maintain production & export even lower than our cost which has / is causing financial loss. We are trying our best to overcome these extremely difficult situation. Such situation is being faced by all types of industries in our country & abroad.

c) Other Significant Events:

There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

47. RELATED PARTY TRANSACTIONS:

- There are no related party (inter Company) transactions during the year under review.
- The Company is paying Remuneration to the 03 (three) Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them (**Note No. 36 for details**).
- The Company operates a contributory provident fund which is administrates by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management to the Provident Fund Trust and the Company has no further liability. Group insurance premium is paid to the Insurance Company once in a year and if there is any claim that will be entertained by the Insurance Company for the Key Management and the Company has no liability. In addition to that there is nothing paid to them except salaries and allowances.

2019-20202018-2019**48. GENERAL:****(a) Production capacity (Quantity in M/T):**

Installed Capacity	7,200	%	7,200	%
Actual Capacity utilized	2,160	30.00	1,835	25.49
	-----		-----	
Variation	5,040		5,365	
	=====		=====	

- It is a seasonal business, shrimps season remains for only about 6 (six) months (May to October) in a year. The Company was unable to achieve the optimum capacity due to market price fall in the international market and also non-availability of adequate shrimps at reasonable price throughout the year.

(b) Production (Quantity in Kg):

Shrimps	2,160,315	1,835,436
	-----	-----
	2,160,315	1,835,436
	=====	=====

(c) Export (Quantity in Kg):

Shrimps	2,190,208	1,862,067
	-----	-----
	2,190,208	1,862,067
	=====	=====

(d) Consumption (Value in Taka):

<u>Items</u>	<u>Value</u>	<u>Consumption</u> %
Local Shrimps	1,842,515,444	97.00
Local Packing Materials, Chemicals, Ice & Ingredients	57,075,083	3.00

(e) Salaries & Wages:

	<u>No. of Employees</u>	<u>Taka</u>
Up to Tk. 5,000.00 per month	-	-
Above Tk. 5,000.00 per month	292	55,618,066
	-----	-----
	292	55,618,066
	===== ===	=====

49. PAYMENTS /PERQUISITES TO DIRECTORS/OFFICERS (KEY MANAGEMENT):

The aggregate amounts paid / provided during the year in respect of Directors and Officers of the Company as defined in the Securities and Exchange Commission Rules, 1987 are disclosed below:

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fees	15,500	-
Salaries and Allowances	9,300,000	35,768,534
Contribution to Provident Fund	-	1,032,155
Bonus	-	1,796,377
Perquisites	-	15,453,758

50. CAPITAL EXPENDITURE COMMITMENT:

- There was no capital expenditure contracted or incurred or provided for as on 30th June 2020.
- There was no material capital expenditure authorized by the Board or contracted for as on 30th June 2020.

51. CONTINGENT LIABILITY:

- There is Tk. 1.72 million as Bank guarantee for which the Company is contingently liable as on 30th June 2020.

52. DURING THE YEAR UNDER REVIEW:

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no bank guarantee issued by the company on behalf of the directors.
- There was no brokerage paid against sales during the year 2019-20.
- There was no expense on account of miscellaneous/general expenses.
- There was no claim against the Company that has not been acknowledged as debt on 30th June 2020.
- There was no credit facility available to the Company under any contract or availed of as on 30th June 2020 other than trade credit available in the ordinary course of business.
- There was no expense incurred in foreign exchange on account of Royalty, Technical Experts, Professional and Advisory Fee, Interest, Brokerage etc.

Sd/-
Zafar Ahmed
Chairman

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

ANNEXURE-1**Reconciliation of net profit with cash flows from operating activities:**

Reconciliation of net income or net profit with cash flows from operating activities making adjustment for non-cash items, for non-operating items and for the net changes in operating accruals has been disclosed as per BSEC notification no: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018.

	Amount in BDT	
	<u>2019-2020</u>	<u>2018-2019</u>
Cash flows from operating activities:		
Profit before tax	36,422,433	38,406,006
Add: Depreciation	19,003,816	20,156,891
Less: Effect of foreign currency translation	56	(73)
Less: Finance & other income during the year	(24,361,892)	(21,568,360)
Add: Interest expenses during the year	62,526,806	71,280,260
(Increase)/Decrease in Inventories	(11,929,869)	(8,740,979)
(Increase)/Decrease in Trade Receivables	(104,922,745)	24,577,415
(Increase)/Decrease in Advance, Deposits & Pre-payments	2,719,765	(2,723,958)
(Increase)/Decrease in Other Receivables	45,541,280	62,369,079
Income tax paid during the year	(24,293,110)	(18,309,559)
(Increase)/Decrease in Security deposits	(588,379)	-
Increase/(Decrease) in Trade Payables	92,142,790	(33,057,651)
Increase/(Decrease) in Other Payables	2,736,755	8,488,402
	-----	-----
Net cash generated from/(used in) operating activities	94,997,707	140,877,473
	=====	=====
RECONCILIATION:		
Net cash generated from/(used in) operating activities- Indirect method	94,997,707	140,877,473
Net cash generated from/(used in) operating activities- Direct method	94,997,707	140,877,473
	-----	-----
Differences	-	-
	=====	=====

PROXY FORM

The Director
Apex Foods Limited
Rupayan Golden Age, 5th & 6th Floor
99 Gulshan Avenue, Gulshan, Dhaka-1212
Bangladesh

BO ID:
 Register Folio No.....
 No. of Shares.....

I/We.....
 of.....
 Being a member of APEX FOODS LIMITED hereby appoints
 Mr./Mrs./Miss.....
 of.....
 as my/our proxy to attend and vote for me/us and on my/our behalf at the **FORTY FIRST ANNUAL GENERAL MEETING** of the Company will be held virtually by using digital platform through link <http://virtualagm.apexfoods.com> (in pursuant with BSEC order SEC/SRMIC/94-231/25 dated July 08, 2020) on Thursday the December 24, 2020 at 11.00 A.M. and or at any adjournment thereof. Signed this.....day of.....2020.

**AFFIX
 TWENTY
 TAKA
 REVENUE
 STAMP**

(Signature of the Proxy)
 BO ID:
 Register Folio No.....
 Dated.....

Signature verified

.....
 Signature of the Shareholder(s)
 Dated.....

Authorized Signatory

Note: A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead.

APEX FOODS LIMITED

Rupayan Golden Age, 5th & 6th Floor, 99 Gulshan Avenue
 Gulshan, Dhaka-1212, Bangladesh

SHAREHOLDERS' ATTENDANCE SLIP

I/We record my attendance at the **FORTY FIRST ANNUAL GENERAL MEETING** being virtually by using digital platform through link <http://virtualagm.apexfoods.com> (in pursuant with BSEC order SEC/SRMIC/94-231/25 dated July 08, 2020) on Thursday the December 24, 2020 at 11.00 A.M.

Name of Member (s)
 BO ID:
 Register Folio No.....holding of.....Ordinary Shares of Apex Foods Limited.

Signature of Shareholder(s)

N.B. : (1) Please Note that AGM can only be attended by the honorable Shareholders or properly constituted Proxy. Therefore, any friend or children accompanying with honorable Shareholders or Proxy cannot be allowed into the meeting.