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## NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **THIRTY-FOURTH ANNUAL GENERAL MEETING of APEX FOODS LIMITED** will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206 on **Saturday the September 28, 2013 at 11.00 A.M.** to transact the following business:

### AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended 30<sup>th</sup> June 2013 and report of the Auditors and Directors thereon.
2. To declare Cash Dividend @ 18% for the year 2012-13 as recommended by the Board of Directors.
3. To elect Directors.
4. To approve appointment of Independent Director.
5. To appoint Auditors for the year 2013-14 and fix their remuneration.

Dated: Dhaka  
August 18, 2012.

By Order of the Board of Directors

Sd/-  
**Jesmin Sultana**  
Assistant Company Secretary

1. The record date shall be on **August 21, 2013**.
2. The Shareholders whose name will appear in the Register of Members of the Company or in the Depository on the "Record Date" will be eligible to attend the Annual General Meeting and be entitled to the Dividend.
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. The Proxy Form duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the Meeting.
4. Members are requested to inform change of address, if any.
5. In pursuance of BSEC's Notification No. SEC/SRMI/2000-953/1950 dated October 24, 2000 gazetted 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 and no benefit in cash or kind, other than in the form of Cash dividend or Stock dividend, shall be paid to the holders of equity securities.
6. Admittance to the meeting venue will be strictly on production of the Attendance Slip sent with the Notice.

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE

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

## SENIOR CORPORATE OFFICIALS

Executive Director	:	Mr. Mominuddin Ahmed Khan
Chief Financial Officer	:	Mr. S. K. Halder
Head of Internal Audit	:	Mr. Ashish Kumar Paul FCA
Assistant Company Secretary	:	Ms. Jesmin Sultana

## LEGAL ADVISORS

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

## AUDITORS

Malek Siddiqui Wali  
Chartered Accountants

## BANKER

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

## REGISTERED OFFICE

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

## FACTORY

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

## FIVE YEARS STATISTICS

*Figure in Thousand Taka*

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Results of Operations:</b>					
Turnover	3,305,717	3,933,346	3,207,315	2,205,550	1,824,824
Gross Profit	357,375	303,517	264,936	217,573	170,735
Operating Profit/(Loss)	20,664	18,735	9,060	1,163	(14,876)
Net Profit before Tax	62,367	46,704	34,188	19,257	1,898
Net Profit/(Loss) after Tax	14,494	15,434	10,795	8,559	(8,931)
EPS with fair valuation surplus/(deficit)	(4.11)	27.95	-	-	-
EPS without fair valuation surplus/(deficit)	2.54	2.71	18.93	15.01	(15.66)
Dividend Per Share*	1.80	1.80	14.00	12.00	12.00
<b>Financial Positions:</b>					
Total Assets	1,758,653	1,571,415	1,485,155	1,136,281	1,012,365
Property, Plant and Equipment-Gross	603,465	559,384	533,001	458,659	444,682
Property, Plant and Equipment-Net	154,421	147,409	156,324	119,579	134,163
Gross Working Capital	1,408,553	1,222,369	1,268,177	959,332	821,482
Net Working Capital	280,260	344,895	337,975	390,037	241,702
Working Capital Loan	778,328	766,024	772,727	509,714	448,489
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	145,717	141,392	139,079	135,127	130,675
Share Holders Equity	517,859	551,441	405,191	401,239	396,787
Term Loan	178,317	156,687	164,886	191,211	42,242
<b>Key Financial Ratios:</b>					
Current Ratio	1.25	1.39	1.36	1.69	1.42
Debt to Total Assets (%)	70.55	64.91	72.72	64.69	60.81
Return on Equity (%)**	2.80	2.80	2.66	2.13	(2.25)
Net Asset Value Per Share	90.81	96.70	711	704	696
Dividend Payout Ratio	70.82	66.50	73.96	79.95	(76.62)
Interest Service Coverage Ratio	1.14	1.17	1.14	1.02	0.74
<b>Others:</b>					
Market Price Per Share (30 <sup>th</sup> June)	85.76	63.85	962	1,016	1,012
Price Earning Multiple**	33.74	23.59	50.82	67.69	(64.62)
Number of Employees (Including contract labor)	518	556	823	633	636
Capacity Utilization (%)	61.61	61.19	64.64	60.35	48.04

\* The Board of Directors recommended Cash Dividend @Tk.1.80 per Share for the year 2012-13.

\*\* Return on equity and Price earning multiple have been calculated on the basis of EPS without fair valuation surplus/ (deficit) of investments.

\*\*\* During the year 2011-12, the face value of Shares have been converted into Tk. 10/- each from Tk. 100/- each.

## Corporate Governance Compliance Status Report

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

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5 (Five) and more than 20 (Twenty).	Complied	
1.2 (i)	Independent Director: At least 1/5 <sup>th</sup>	Complied	
1.2 (ii)a)	Less than 1% Shares	Complied	
1.2 (ii)b)	Not a Sponsor of The Company	Complied	
1.2 (ii)c)	Does not have other relationship	Complied	
1.2 (ii)d)	Not a Member, Director or Officer of any Stock Exchange.	Complied	
1.2 (ii)e)	Not a Shareholder, Director or Officer of any Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (ii)f)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (ii)g)	Not an Independent Director more than three listed Companies.	Complied	
1.2 (ii)h)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBF)	Complied	
1.2 (ii)i)	Not convicted for a Criminal offence	Complied	
1.2 (iii)	Appointment by the Board and approved in AGM.	Complied/ in process	
1.2 (iv)	Post can not remain vacant more than 90 days	Complied	
1.2 (v)	Lay down a code of conduct and annual compliance.	Complied	
1.2 (vi)	Tenure of the Independent Director.	Complied	
1.3 (i)	Independent Director shall be knowledgeable	Complied	
1.3 (ii)	Should be a Corporate Leader/Business Leader	Complied	
1.3 (iii)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	Individual Chairman of the Board and Chief Executive Officer.	Not Complied	Our Company (Sea Food Processing & Export Industry) requires unique expertise. We are looking for a competent person but we could not yet find eligible individual for the purpose. However, in the mean time the Chairman has been entrusted with both the responsibilities.
	Chairman of the Company shall be elected from among the directors of the Company and clearly defined roles and responsibilities of the Chairman and Chief Executive Officer.	Complied	
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	

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.	Not applicable	
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions.	Not applicable	
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)	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)	Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	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)	IAS/BAS/IFRS/BFRS, 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)	The system of internal control is sound in design and has been effectively implemented and monitored	Complied	
1.5 (xvi)	There are 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 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Not applicable	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not applicable	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	
1.5 (xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	

1.5 (xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	
1.5 (xxi)c)	Executives;	Complied	
1.5 (xxi)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
1.5 (xxii)a)	A brief resume of the director;	Complied	
1.5 (xxii)b)	Nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii)c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties.	Complied	
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting.	Complied	
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors 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	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	Complied	
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied	
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	Complied	
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service.	Not applicable	
3.1(v)	The company secretary shall act as the secretary of the Committee	Complied	
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	Complied	
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	

3.3(i)	Oversee the financial reporting process	Complied	
3.3(ii)	Monitor choice of accounting policies and principles.	Complied	
3.3(iii)	Monitor Internal Control Risk management process.	Complied	
3.3(iv)	Oversee hiring and performance of external auditors	Complied	
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
3.3(vii)	Review the adequacy of internal audit function.	Complied	
3.3(viii)	Review statement of significant related party transactions submitted by the management	Not applicable	
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by Statutory auditors.	Complied	
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee, on a quarterly basis and annual basis.	Not applicable	
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	Complied	
3.4.1(ii)a)	report on conflicts of interests;	Not applicable	There was no such event to report
3.4.1(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
3.4.1(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
3.4.1(ii)d)	Any other matter which shall be disclosed to the Board of Directors Immediately.	Not applicable	There was no such event to report
3.4.2	Reporting to the Authorities	Not applicable	There was no such event to report
3.5	Reporting to the Shareholders and General Investors	Not applicable	There was no such event to report
4 (i)	Appraisal or valuation services or fairness opinions.	Complied	
4 (ii)	Financial information systems design and implementation	Complied	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
4 (iv)	Broker-dealer services	Complied	
4 (v)	Actuarial services.	Complied	
4 (vi)	Internal audit services.	Complied	
4 (vii)	Any other service that the Audit Committee determines.	Complied	
4 (viii)	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.	Complied	



5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding Company shall be a director on the Board of Directors of the subsidiary company.	Not applicable	
5 (iii)	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	
5 (iv)	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	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not applicable	
6 (i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i)b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied	
6 (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 violation of the company's code of conduct.	Complied	
7 (I)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines.	Complied	
7(ii)	The directors of the company shall state, in accordance with the <b>Annexure</b> attached, in the directors' report regarding compliance.	Complied	

## To the shareholders of Apex Foods Limited

### Certificate on compliance of conditions of corporate governance guidelines

We have examined compliance status of Apex Foods Limited regarding conditions of corporate governance guidelines issued by the Bangladesh Securities and Exchange Commission as stipulated in Condition No. 7(i) of the BSEC notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

The compliance of conditions of corporate governance guidelines as stated in the aforementioned notification and reporting of the status of compliance is the responsibility of the Company's management. Our examination for the purpose of issuing this certification was limited to the checking of procedures and implementations thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, except as reported on the attached status of compliance statement, the Company has complied with the conditions of corporate governance stipulated in the above mentioned BSEC notification dated 7th August 2012.

Sd-

**MD. Waliullah, FCA**

Senior Partner

ICAB Enrolment Number-247

For Malek Siddiqui Wali

Chartered Accountants

Dhaka, 03<sup>rd</sup> August 2013

## AUDIT COMMITTEE REPORT

The audit committee of APEX FOODS LIMITED was formed as per the terms of reference approved by the Board in accordance with the notification of Bangladesh Securities and Exchange Commission no. SEC/CMRRCD/2006-158/134/Admin/44, dated 7<sup>th</sup> August 2012.

The Audit committee of the company comprises of three Directors, nominated by the Board of Directors of the Company, headed by the Independent Director, Mr. Kazi Faruq Kader MP. 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 2012-13, five Audit Committee meeting 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 M.P.	5	5
Mr. Shahriar Ahmed	5	5
Mr. Ashim Kumar Barua	5	5

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

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principals.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- 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 2012-13 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 03<sup>rd</sup> August 2013

On behalf of the Audit Committee  
Sd/-  
Kazi Faruq Kader M.P.  
Chairman

## **CEO & CFO's Declaration to the Board of Directors**

Date: August 03, 2013

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

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

Dear Sirs:

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

- (i) We have reviewed the financial statements for the year ended on 30<sup>th</sup> June 2013 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
  - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

Sd/-  
Zafar Ahmed  
Managing Director

Sd/-  
S. K. Halder  
Chief Financial Officer (CFO)

## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders,**

It is an honor and pleasure for me to welcome you all to the Thirty- fourth Annual General Meeting of your Company and to present the Annual Report for the year ended 30<sup>th</sup> June 2013.

### **Global Economy:**

The world economy appears to be getting back on its feet as risks from advanced economies ease. However, the recovery remains hesitant and uneven. Global growth is projected to remain subdued at slightly above 3 percent in 2013, the same as in 2012. The underperformance was due to three factors. First, continuing growth disappointments in major emerging market economies. Second, a deeper recession in the euro area, as low demand and depressed confidence interacted to exacerbate the effects on growth and the impact of tight fiscal and financial conditions. Third, the U.S. economy expanded at a weaker pace, as stronger fiscal contraction weighed on improving private demand.

Downside risks, old and new, still dominate the outlook. Although imminent tail risks in advanced economies have diminished, additional measures will be needed to keep them at bay.

### **Bangladesh Economy:**

In spite of slow recovery of global economy, Bangladesh's economy has maintained a healthy 6% plus growth rate in past years and significantly reduced the number of absolute poor. Bangladesh has set target to be in the middle income group status by the year 2021. The country can only achieve this status by reducing the number of absolute poor.

In the first quarter of the fiscal year the average inflation was 9.69%. But at the end of June 2013 the average inflation dropped to 7.70%. The figure narrowly compromises the government's aim of containing inflation within 7.50% in FY 2012-13. Moderate international commodity prices including fuel price, stronger domestic currency and slowdown in domestic demand are supposed to keep inflationary pressure within tolerable level during next fiscal year.

Growth of exports in FY 2012-13 is 11.18% over preceding year though weak demand has been prevailing in Bangladesh's major export markets. Few of the export items registered positive growth in the current fiscal year (2012-13) with some high value items including woven garments, knitwear, jute goods, and leather. Frozen food and raw jute are among the items that experienced negative growth in the same period. The import payments have decreased by 5.95% as compared to the previous year. Decline in import reflects less consumer confidence that prevailed in the FY 2012-13.

Growth slowed, inflation quickened, and exports weakened in Bangladesh, but the current account surplus nearly doubled in the last fiscal year on strong inward remittances. Weak external and domestic demands are projected to slow growth in next year, but the current account balance is expected to stay in surplus. Any political instability till the next election will however be a risk. Improving the business climate and infrastructure and liberalizing trade is needed to boost investment and competitiveness.

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.

Dhaka  
3<sup>rd</sup> August, 2013

Sd/-  
**Zafar Ahmed**  
Chairman

## REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended 30<sup>th</sup> June 2013.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012.

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

Frozen food exporters continue to face a difficult time as the industry still reels from the shock of global recession that dampened demand and slashed prices. Earning from the sector during the first 11 months of the present fiscal year (July-May) stood at USD 489.40 million, marking a negative growth of 11.56%, as compared to the growth during the same period in the last fiscal year. The earning also fell short of the target by 22.20%. Last year total export from this sector was USD 598 million. The export rose in the last half of the FY 2011-12 due to the fact that in November 2011 the EU Authorities withdrew the embargo of 20% compulsory test on frozen food items including shrimp and other fish items entering its market.

Shrimps and other frozen foods are being exported to more than 30 countries, and more than 80 percent of the total shipment of shrimp goes to the EU and US markets. Due to a slack demand in the US and European markets, the exporters were compelled to cut the prices to remain competitive, putting the sector in a negative growth trajectory. Prices went down by around 30 percent during this year compared to the previous year despite an increase in their cost of production.

On top of all these global economic hurdles, with effect from December 2012, the buyers have reduced buying Galda shrimp from Bangladesh as there were alleged complain of pushing chemicals and other things in the export item to increase weight. This issue has also a serious impact on the export of shrimp from Bangladesh to US and EU market.

**(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 22 of the Financial Statements.

**(iii) Risks and concerns:**

Besides, the US and EU economic slowdown, desperate marketing of a new variety shrimp - vannamei -- by the neighboring India and Thailand and high bank interests will have a great impact in the coming year. If the trend continues, it will be difficult to be on the growth track again. Almost 90 percent of the country's frozen food exports is targeted at the US, EU and other developed countries, most of which are facing economic slowdown, seriously affecting the demand for value added food like black tigers, sweet water shrimp. The consumers are switching over to low-cost shrimps like Vannamei. Ban on the export of Hilsa and white fish are likely to weigh on the overseas frozen food sales also.

Japan, Asia's second biggest economy, was once the main market for Bangladeshi shrimps, especially during the 1980s and 1990s. But exporters found buyers were reallocating since the beginning of the 21st century. Now Japanese buyers are once again showing interest in Bangladeshi frozen shrimps, creating scope for exporters to reduce dependence on USA and Europe.

Till the upcoming election in 2014, political unrest may prevail, causing disruption in production. The power problem has slightly eased off but more uninterrupted power supply is required throughout the year for industries to run efficiently.

**(iv) Analysis of Cost of Goods sold, Gross Profit Margin and Net Profit Margin:****(a) Cost of Goods Sold:**

This year's cost of goods sold was BDT 2,948 million as compared to last year's cost of goods sold of BDT 3,630 million. This is due to the fact that there has been a decrease of average production cost per Kg to the tune of Tk. 76/-. During the year 4,436,091 Kg of shrimps were produced as against last year's production of 4,406,087 Kg. Production capacity utilized during the year was 61.61%. Raw Material Purchase cost has decreased to the tune of Tk. 332.77 million as against last year. Raw material has to be purchased less during the year.

**(b) Gross Profit:**

The company has achieved an export turnover of Tk. 3,305.72 million during the year ended 30<sup>th</sup> June 2013. Last year's turnover was Tk. 3,933.35 million. The decrease in turnover is 15.95% over the last year. Gross profit earned during the year was Tk. 357.37 million as against last year's gross profit of Tk. 303.52 million.

**(c) Net Profit:**

Net profit (after tax) earned during the year was Tk. 14.49 million as compared to last year's Net Profit (after tax) of Tk. 15.43 million. During the year net profit after tax has slightly decreased due to increase of current tax (i.e. tax deduction at source on export realization was 0.60% in 2011-12 but the rate has increase to 0.80% in 2012-13).

**(v) Extra-Ordinary gain or loss:**

During the year there was no realized extra-ordinary gain or loss made the company. An amount of Tk. 37.91 million has been shown as Fair Value Deficit of Investment in the Statement of Comprehensive Income which represents the difference between the closing price of 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 in order to comply with the latest requirement of Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS). Details are given in Note 14 of the Financial Statements

**(vi) Related party transactions:**

There was no related party transaction with the Associated Companies during the year.

**(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 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 is a decrease in EPS without fair valuation surplus/deficit (i.e. up to 3<sup>rd</sup> Quarter, EPS was Tk. 2.20 but annually it has been Tk. 2.54). This is mainly due to fact that other income has dropped in the last quarter of this year.

**(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
Zafar Ahmed	Director	4,800,000
Ashim Kumar Barua	Director	3,600,000
Kazi Faruq Kader M.P.	Independent Director	600,000

**(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.

**(xii)** Proper books of account of the issuer company have been maintained.

**(xiii)** 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.

**(xiv)** International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in 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 are no significant doubts upon the issuer company's ability to continue as a going concern.

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

There are no significant deviation from the last year's operating results. Slight deviation in turnover is due to sluggish global economic condition particularly in USA and Euro Zone.

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

“Figure in thousand Taka”

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<b>Operational Data:</b>						
Turnover	3,305,717	3,933,346	3,207,315	2,205,550	1,824,824	2,291,194
Gross Profit	357,375	303,517	264,936	217,573	170,735	225,591
Operating Profit/(Loss)	20,664	18,735	9,060	1,163	(14,876)	28,850
Net Profit before Tax	62,367	46,704	34,188	19,257	1,898	44,510
Net Profit/(Loss) after Tax	14,494	15,434	10,795	8,559	(8,931)	23,673
EPS with fair valuation surplus/(deficit)	(4.11)	27.95	-	-	-	-
EPS without fair valuation surplus/(deficit)	2.54	2.71	18.93	15.01	(15.66)	36.68
Dividend Per Share	1.80	1.80	14.00	12.00	12.00	20.00
<b>Financial Data:</b>						
Total Assets	1,758,653	1,571,415	1,485,155	1,136,281	1,012,365	1,001,696
Property, Plant and Equipment-Gross	603,465	559,384	533,001	458,659	444,682	410,982
Property, Plant and Equipment-Net	154,421	147,409	156,324	119,579	134,163	132,737
Gross Working Capital	1,408,553	1,222,369	1,268,177	959,332	821,482	812,239
Net Working Capital	280,260	344,895	337,975	390,037	241,702	259,832
Working Capital Loan	778,328	766,024	772,727	509,714	448,489	440,576
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	145,717	141,392	139,079	135,127	130,675	139,605
Share Holders Equity	517,859	551,441	405,191	401,239	396,787	417,122
Term Loan	178,317	156,687	164,886	191,211	42,242	34,798



**(xix) Dividend:**

Board of Directors has recommended Cash Dividend of Tk. 1.80 per Share of Tk. 10.00 each for the year 2012-13. Upon your approval in this General Meeting, the dividend will be paid to the Shareholders whose names appear in the Share Registers of the Company or in the Depository as on 21<sup>st</sup> August 2013 at the close of office.

**(xx) Board meetings:**

During the year 10 Board Meetings were held. The attendance record of the Directors is as follows:

<b>Name of Directors</b>	<b>Meeting attended</b>
Mr. Zafar Ahmed	10
Mr. Zahur Ahmed PhD	10
Mrs. Shawkat Ara Ahmed	10
Mr. Shahriar Ahmed	08
Mr. Ashim Kumar Barua	10
Mr. Kazi Faruq Kader M.P.	10

**(xxi) The pattern of shareholding:**

<b>Name wise details</b>	<b>No. Shares</b>
<b>I. Parent/subsidiary/Associated companies and other related parties</b>	
Apex Spinning & Knitting Mills Limited	169,250
Apex Lingerie Limited	10,800
<b>II. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit:</b>	
Mr. Zafar Ahmed – Director	1,320,530
Mr. Zahur Ahmed PhD – Director	160,740
Mrs. Shawkat Ara Ahmed – Director	823,000
Mr. Shahriar Ahmed – Director	563,430
Mr. Ashim Kumar Barua – Director	7,500
Mr. Kazi Faruk Kader M.P. – Independent Director	NIL
Mr. S.K. Halder – Chief Financial Officer	NIL
Ms. Jesmin Sultana – Assistant Company Secretary	NIL
Mr. Ashish Kumar Paul FCA – Head of Internal Audit	NIL
<b>III. Senior Corporate Executives:</b>	
Mr. Mominuddin Ahmed Khan-Executive Director	2,500
<b>IV. Shareholders holding ten percent (10%) or more voting interest in the Company</b>	
Mr. Zafar Ahmed	1,320,530
Mrs. Shawkat Ara Ahmed	823,000

**(xxii) Appointment/re-appointment of directors the company:**

- (i) Mr. Zahur Ahmed Ph.D and Mrs. Shawkat Ara 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 details work profiles of Mr. Zahur Ahmed Ph.D and Mrs. Shawkat Ara Ahmed are given below:

**Mr. Zahur Ahmed PhD**

- a. Mr. Zahur Ahmed PhD is a Doctorate in Biophysics from 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 has gathered vast knowledge about this sector. Mr. Zahur is now Vice Chairman and Deputy Managing Director 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 and (v) Matex Bangladesh Limited.
- c. He is not a member of any Committee of the Board.

**Mrs. Shawkat Ara Ahmed**

- a. Mrs. Shawkat Ara Ahmed is a Graduate from Dhaka University. She joined in this Company in 1996 and since then she is working in this sector. During her long tenure with the Company, Mrs. Shawkat Ara Ahmed gathered vast knowledge about this sector. Mrs. Shawkat Ara Ahmed is now acting as the Director of the Company.
- b. Since her joining in this sector, she has gathered sufficient knowledge to run the Company.
- c. She is also holding the Directorship of (i) Apex Spinning & Knitting Mills Limited and (ii) Matex Bangladesh Limited.
- d. She is not a member of any Committee of the Board.

- (ii) Mr. Kazi Faruq Kader M.P. appointed as independent Director as per BSEC Corporate Governance Guidelines.

The details work profiles of Mr. Kazi Faruq Kader M.P. are given bellow:

- a. Mr. Kader is a Graduate from Dhaka University. He was a Member of Parliament from 1988 to 1989 and Member of the Standing Committee for Commerce during that tenure. He was also appointed as Director and Chairman of Sonali Bank as well as Sadharan Bima Corporation. He is presently also a Member of Parliament.
- b. Mr. Kader is the Independent Director of the Company and has sound knowledge in this sector.
- c. Mr. Kader is also holding the Directorship of Apex Spinning & Knitting Mills Limited.
- d. Presently, Mr. Kader is the Chairman of the Audit Committee.

**(xxiii) Auditors:**

As per order of the Bangladesh Securities & Exchange Commission, existing Auditors M/s. Malek Siddiqui Wali, Chartered Accountants, retires being the auditors of the Company for three consecutive years. Being eligible, M/s. Hussain Farhad & Co., Chartered Accountants offer themselves for appointment as Auditors of the Company for the year 2013 -2014.

**(xxiv) Corporate Governance Compliance Report:**

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, "Corporate Governance Report" is annexed.

Dhaka  
03 August 2013

On behalf of the Board

Sd/-  
**Zafar Ahmed**  
Chairman

## পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৩ 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- এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/প্রশাসন/৪৪ তারিখ- আগস্ট ৭, ২০১২ অনুসরণ করা হয়েছে।

### ১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

বিশ্ব অর্থনৈতিক মন্দায় আঘাত পাবার পর হিমায়িত খাদ্যের চাহিদা এবং মূল্য প্রচণ্ডভাবে হ্রাস পায় ফলে হিমায়িত খাদ্য রপ্তানীকারকগণ এখনও দুঃস্বাধ্য সময় মোকাবেলা করে যাচ্ছেন এবং অর্থনৈতিক মন্দার চক্র আবর্তিত। বর্তমান অর্থবৎসরে প্রথম এগারো মাসে (জুলাই-মে) এই খাতে আয় দাড়িয়েছে ৪৮৯.৪০ মিলিয়ন মার্কিন ডলার যা গত অর্থবৎসরে একই সময়ের সংগে তুলনা করলে এটা ১১.৫৬ শতাংশ ঋণাত্মক বিকাশ হয়েছে। লক্ষ্য মাত্রা থেকে ২২.২০ শতাংশ আয় কম হয়েছে। এই খাতে গত বৎসর মোট রপ্তানী হয়েছে ৫৯৮ মিলিয়ন মার্কিন ডলার। গত ২০১১-১২ অর্থবৎসরের শেষার্ধ্বে রপ্তানী বেড়েছিল কারণ নভেম্বর ২০১১ এ ইউরোপীয় ইউনিয়ন কর্তৃপক্ষ তাদের বাজারে প্রবেশের ক্ষেত্রে চিংড়ি ও অন্যান্য মৎস্যের ক্ষেত্রে যে ২০ শতাংশ আবশ্যিকীয় পরীক্ষা করার শর্ত ছিল তাহা প্রত্যাহার করে।

চিংড়ি এবং অন্যান্য হিমায়িত খাদ্য ত্রিশাধিক দেশে রপ্তানী হচ্ছে এবং মোট চিংড়ি রপ্তানীর ৮০ শতাংশেরও বেশী ইউরোপীয় ইউনিয়ন এবং মার্কিন যুক্তরাষ্ট্রে রপ্তানী হচ্ছে। মার্কিন যুক্তরাষ্ট্র এবং ইউরোপীয় ইউনিয়নের বাজারে দুর্বল চাহিদার দরুণ এই খাতে প্রতিযোগিতায় টিকে থাকার জন্য রপ্তানীকারকগণ মূল্য হ্রাস করতে বাধ্য হয়েছেন এর ফলে এই খাতের উন্নয়ন ঋণাত্মক বিকাশ হয়েছে। তাদের উৎপাদন ব্যয় বৃদ্ধি পাওয়া সত্ত্বেও গত বছরের তুলনায় এ বছর বিক্রয় মূল্য প্রায় ৩০ শতাংশ হ্রাস পেয়েছে।

বৈশ্বিক অর্থনৈতিক বাধার উপরে সবচেয়ে বড় বাধা হল ক্রেতার গত ডিসেম্বর ২০১২ হতে বাংলাদেশ থেকে গলদা চিংড়ি ক্রয় করা কমিয়ে দিয়েছে কারণ তাদের অভিযোগ যে চিংড়ির ওজন বৃদ্ধির জন্য চিংড়িতে কেমিক্যাল এবং অন্যান্য কিছু জিনিস ঢুকানো হচ্ছে। এ ইস্যুটিও বাংলাদেশ থেকে ইউএস ও ইউইউ বাজারে চিংড়ি রপ্তানীতে দারুণ ভাবে ব্যাঘাত ঘটাবে।

### ২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

এপেক্স ফুডস্ লিমিটেড শুধু চিংড়ি প্রক্রিয়াকরন ও রপ্তানী করে সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই। আর্থিক বিবরণীর ২২ নং নোটে আমাদের প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

### ৩. ঝুঁকি ও উদ্বিগ্নতা সমূহঃ

আগত বৎসরে মার্কিন যুক্তরাষ্ট্র ও ইউরোপীয় ইউনিয়নের অর্থনৈতিক মন্দা ছাড়াও প্রতিবেশী ভারত ও থাইল্যান্ড এর বিভিন্ন নতুন প্রজাতির চিংড়ি উৎপাদন, বেনামি এর বেপরোয়া বিপনন এবং ব্যাংক উচ্চসুদের হার এর দরুণ হিমায়িতখাদ্য রপ্তানীতে ব্যাপক প্রতিবন্ধকতা সৃষ্টি করবে। এই প্রবনতা যদি অব্যাহত থাকে তা হলে ইতিবাচক গতিধারায় ফিরে যাওয়া কঠিন হবে। প্রায় ৯০ শতাংশ হিমায়িত খাদ্য রপ্তানীর লক্ষ্য থাকে মার্কিন যুক্তরাষ্ট্রে, ইউরোপীয় ইউনিয়নে এবং অন্যান্য উন্নত দেশ সমূহে যাদের বেশীরভাগই অর্থনৈতিক মন্দার সম্মুখীন ফলে মূল্য সংযোজিত খাদ্য পণ্য যেমন ব্ল্যাক টাইগার, মিষ্টি পানির চিংড়ির মত দামি মাছের চাহিদা মারাত্মক ক্ষতির সম্মুখীন হবে। ভোক্তাগণ বেনামির মত নিম্নমূল্যের চিংড়ির প্রতি ঝুঁকছে। ইলিশ মাছ এবং সাদা মাছ রপ্তানী বন্ধ করার ফলে বিদেশে হিমায়িত খাদ্যের রপ্তানীও হ্রাস পাবে।

এশিয়ার দ্বিতীয় বৃহত্তম অর্থনীতির দেশ জাপান এক সময় বাংলাদেশের চিংড়ির সবচেয়ে প্রধান বাজার ছিল বিশেষ করে ১৯৮০ এবং ১৯৯০ দশকে। কিন্তু একবিংশ শতাব্দীর প্রথম দিকে রপ্তানীকারকগণ নতুন ক্রেতাদের দিকে ধাবিত হয়। এখন আবার জাপানের ক্রেতাগণ বাংলাদেশ থেকে হিমায়িত চিংড়ি আমদানী করতে আগ্রহ দেখাচ্ছে ফলে মার্কিন যুক্তরাষ্ট্র ও ইউরোপীয় ইউনিয়নের উপর রপ্তানীকারকগণের নির্ভরশীলতা কমার সম্ভাবনা তৈরী হচ্ছে।

যেহেতু ২০১৪ সালে জাতীয় নির্বাচন, রাজনৈতিক অস্থিরতা হতে পারে যাহা সৃষ্ট উৎপাদনকে বাধাগ্রস্ত করতে পারে। বৈদ্যুতিক সমস্যা কিছুটা দূর হয়েছে কিন্তু দক্ষতার সাথে শিল্প পরিচালনার জন্য সারা বৎসর বিদ্যুৎ সরবরাহ আরও নিরবিচ্ছিন্ন ভাবে পাওয়া দরকার।

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

### ক) বিক্রিত পণ্যের ব্যয় :

এই বৎসর বিক্রিত পণ্যের ব্যয় ছিল ২,৯৪৮ মিলিয়ন টাকা যা গত বৎসর ছিল ৩,৬৩০ মিলিয়ন টাকা। এই বৎসর গড়ে কেজি প্রতি উৎপাদন ব্যয় ৭৬ টাকা হারে ত্রাস পেয়েছে। চলতি বৎসর ৪,৪৩৬,০৯১ কেজি চিংড়ি উৎপাদন হয়েছে যা গত বৎসর ছিল ৪,৪০৬,০৮৭ কেজি। চলতি বৎসরে উৎপাদন ক্ষমতার ৬১.৬১ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় কাঁচামাল ক্রয়ের জন্য ৩৩২.৭৭ মিলিয়ন টাকা কম খরচ হয়েছে। গত বৎসরের তুলনায় কাঁচামাল ক্রয় ত্রাস পেয়েছে।

### খ) মোট মুনাফাঃ

৩০ শে জুন ২০১৩ সমাপ্ত অর্থ বৎসরে কোম্পানী মোট বিক্রয় করেছে ৩,৩০৫.৭২ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ৩,৯৩৩.৩৫ মিলিয়ন টাকা। গত বৎসরের তুলনায় বিক্রয় ১৫.৯৫ শতাংশ ত্রাস পেয়েছে। এ বৎসর মোট মুনাফা অর্জিত হয়েছে ৩৫৭.৩৭ মিলিয়ন টাকা যা গত বৎসর ছিল ৩০৩.৫২ মিলিয়ন টাকা।

### গ) নীট মুনাফাঃ

এ বৎসর (কর পরবর্তী) নীট মুনাফা হয়েছে ১৪.৪৯ মিলিয়ন টাকা যা গত বৎসর ছিল ১৫.৪৩ মিলিয়ন টাকা। চলতি বৎসর উৎসে কর কর্তন বৃদ্ধির ফলে এ বৎসর নীট মুনাফা কিছুটা ত্রাস পেয়েছে (রপ্তানী আয়ের উপর ২০১১-১২ ইং অর্থ বৎসরে উৎসে কর কর্তন হয়েছিল ০.৬০ শতাংশ কিন্তু এই হার ২০১২-২০১৩ ইং অর্থ বৎসরে বৃদ্ধি পেয়ে ০.৮০ শতাংশ হয়েছে)।

## ৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বৎসর বাস্তবিক প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। তবে ৩৭.৯১ মিলিয়ন টাকা বিনিয়োগের সুষ্ঠু মূল্যায়নের ফলে ঘাটতি আয় বিবরণীতে দেখানো হয়েছে যাহা এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এবং এপেক্স উইভিং এন্ড ফিনিশিং মিলস্ লিমিটেড এর শেয়ারে বিনিয়োগের সমাপনী মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ডস (বি.এ.এস) / বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বি.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। আর্থিক বিবরণীর ১৪ নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

## ৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

এ বৎসর আন্তঃ সম্পর্কিত কোম্পানী সমূহের মধ্যে 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 ভালো করে যাচ্ছে।

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

এই বৎসরের শেষ কোয়ার্টারে অন্যান্য খাতে আয় ত্রাস পাওয়ার কারণে বিনিয়োগের সুষ্ঠু মূল্যায়ন ব্যতীত শেয়ার প্রতি আয় ত্রাস পেয়েছে (অর্থাৎ তৃতীয় কোয়ার্টার পর্যন্ত আর্থিক প্রতিবেদনে শেয়ার প্রতি আয় ছিল ২.২০ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.৫৪ টাকা)।

## ১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্ন রূপঃ-

পরিচালকদের নাম	পরিচালক/স্বতন্ত্র পরিচালক	বাৎসরিক পারিশ্রমিক
জনাব জাফর আহমেদ	পরিচালক	৪৮,০০,০০০/-
জনাব অসীম কুমার বড়ুয়া	পরিচালক	৩৬,০০,০০০/-
জনাব কাজী ফারুক কাদের এম. পি.	স্বতন্ত্র পরিচালক	৬,০০,০০০/-

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)/বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্ডস (বি.এ.এস)/ ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আই.এফ.আর.এস)/ বাংলাদেশ ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বি.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. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।
১৭. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের কোন উল্লেখ যোগ্য পার্থক্য নেই। বিক্রয়ে সামান্য পার্থক্যের কারণ ইউএসএ ও ইউরো জোনে অর্থনৈতিক মন্দা।

#### ১৮. পূর্ববর্তী পাঁচ বৎসরের মুখ্য পরিচালন এবং অর্থনৈতিক উপাত্তঃ

	"সংখ্যা হাজার টাকায়"					
	২০১২-১৩	২০১১-১২	২০১০-১১	২০০৯-১০	২০০৮-০৯	২০০৭-০৮
<b>পরিচালন তথ্য:</b>						
বিক্রয়	৩,৩০৫,৭১৭	৩,৯৩৩,৩৪৬	৩,২০৭,৩১৫	২,২০৫,৫৫০	১,৮২৪,৮২৪	২,২৯১,১৯৪
মোট মুনাফা	৩৫৭,৩৭৫	৩০৩,৫১৭	২৬৪,৯৩৬	২১৭,৫৭৩	১৭০,৭৩৫	২২৫,৫৯১
পরিচালন মুনাফা/(ক্ষতি)	২০,৬৬৪	১৮,৭৩৫	৯,০৬০	১,১৬৩	(১৪,৮৭৬)	২৮,৮৫০
করপূর্ব মুনাফা	৬২,৩৬৭	৪৬,৭০৪	৩৪,১৮৮	১৯,২৫৭	১,৮৯৮	৪৪,৫১০
করপরবর্তী মুনাফা/(ক্ষতি)	১৪,৪৯৪	১৫,৪৩৪	১০,৭৯৫	৮,৫৫৯	(৮,৯৩১)	২৩,৬৭৩
বিনিয়োগের সৃষ্ট মূল্যায়ন সহ শেয়ার প্রতি আয়	( ৪.১১)	২৭.৯৫	-	-	-	-
বিনিয়োগের সৃষ্ট মূল্যায়ন ব্যতীত শেয়ার প্রতি আয়	২.৫৪	২.৭১	১৮.৯৩	১৫.০১	(১৫.৬৬)	৩৬.৬৮
প্রতি শেয়ারের জন্য লভ্যাংশ	১.৮০	১.৮০	১৪.০০	১২.০০	১২.০০	২০.০০
<b>আর্থিক তথ্য:</b>						
মোট সম্পদ	১,৭৫৮,৬৫৩	১,৫৭১,৪১৫	১,৪৮৫,১৫৫	১,১৩৬,২৮১	১,০১২,৩৬৫	১,০০১,৬৯৬
সমপত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	৬০৩,৪৬৫	৫৫৯,৩৮৪	৫৩৩,০০১	৪৫৮,৬৫৯	৪৪৪,৬৮২	৪১০,৯৮২
সমপত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	১৫৪,৪২১	১৪৭,৪০৯	১৫৬,৩২৪	১১৯,৫৭৯	১৩৪,১৬৩	১৩২,৭৩৭
মোট চলতি মূলধন	১,৪০৮,৫৫৩	১,২২২,৩৬৯	১,২৬৮,১৭৭	৯৫৯,৩৩২	৮২১,৪৮২	৮১২,২৩৯
নীট চলতি মূলধন	২৮০,২৬০	৩৪৪,৮৯৫	৩৩৭,৯৭৫	৩৯০,০৩৭	২৪১,৭০২	২৫৯,৮৩২
চলতি মূলধন ঋণ	৭৭৮,৩২৮	৭৬৬,০২৪	৭৭২,৭২৭	৫০৯,৭১৪	৪৪৮,৪৮৮	৪৪০,৫৭৬
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 উন্নত	১৪৫,৭১৭	১৪১,৩৯২	১৩৯,০৭৯	১৩৫,১২৭	১৩০,৬৭৫	১৩৯,৬০৫
শেয়ার মালিকদের ইকুইটি	৫১৭,৮৫৯	৫৫১,৪৪১	৪০৫,১৯১	৪০১,২৩৯	৩৯৬,৭৮৭	৪১৭,১২২
দীর্ঘ মেয়াদী ঋণ	১৭৮,৩১৭	১৫৬,৬৮৭	১৬৪,৮৮৬	১৯১,২১১	৪২,২৪২	৩৪,৭৯৮

#### ১৯. লভ্যাংশ:

কোম্পানীর পরিচালকমন্ডলী ২০১২-১৩ হিসাব বৎসরে প্রতি ১০/- (দশ) টাকার শেয়ারের জন্য ১.৮০ 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 আগষ্ট ২১, ২০১৩ ইং তারিখে অন্তর্ভুক্ত থাকবে।

#### ২০. বোর্ডের সভা

এ বৎসর বোর্ডের ১০টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	১০
জনাব জহুর আহমেদ পিএইচডি	১০
জনাবা শওকত আরা আহমেদ	১০
জনাব শাহরিয়ার আহমেদ	০৮
জনাব অসীম কুমার বড়ুয়া	১০
জনাব কাজী ফারুক কাদের এম. পি.	১০

**২১. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:****নাম অনুসারে বিবরণ****শেয়ার সংখ্যা****ক) প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টসমুহ:**

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 প্রধান:**

জনাব জাফর আহমেদ	পরিচালক	১,৩২০,৫৩০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১৬০,৭৪০
জনাবা শওকত আরা আহমেদ	পরিচালক	৮২৩,০০০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৫৬৩,৪৩০
জনাব অসীম কুমার বড়ুয়া	পরিচালক	৭,৫০০
জনাব কাজী ফারুক কাদের এম. পি.	স্বতন্ত্র পরিচালক	-
জনাব এস. কে. হালদার	প্রধান অর্থ কর্মকর্তা	-
জনাবা জেসমিন সুলতানা	সহকারী কোম্পানী সচিব	-
জনাব আশীষ কুমার পাল এফসিএ	অভ্যন্তরীণ নিরীক্ষা প্রধান	-

**গ) উর্ধ্বতন করপোরেট নির্বাহীগণ**

জনাব মমিনউদ্দিন আহমেদ খান - নির্বাহী পরিচালক	২,৫০০
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**ঘ) কোম্পানীতে ১০ শতাংশ অথবা তার চেয়ে বেশী ভোটের অধিকারী শেয়ারহোল্ডার:**

জনাব জাফর আহমেদ	১,৩২০,৫৩০
জনাবা শওকত আরা আহমেদ	৮২৩,০০০

**২২. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগ:**

- (১) জনাব জহুর আহমেদ পিএইচডি এবং জনাবা শওকত আরা আহমেদ কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করেছেন এবং যোগ্য বিধায় পুনর্নির্বাচনের জন্য ইচ্ছা প্রকাশ করেছেন। জনাব জহুর আহমেদ পিএইচডি এবং জনাবা শওকত আরা আহমেদ এর বিস্তারিত বিবরণ নিম্নরূপ:-

**জনাব জহুর আহমেদ পিএইচডিঃ**

- ক) জনাব জহুর আহমেদ পিএইচডি, যুক্তরাষ্ট্র থেকে বায়োফিজিক্স-এ ডক্টরেট ডিগ্রি অর্জন করেন এবং যুক্তরাষ্ট্রের বাফেলোয় স্টেট ইউনিভার্সিটির সহযোগী অধ্যাপক হিসেবে কর্মরত ছিলেন। তিনি এই কোম্পানীর একজন পরিচালক এবং তিনি ১৯৯১ সাল থেকে এই শিল্প খাতে কাজ করছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে ব্যাপক জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর সহসভাপতি এবং উপ-ব্যবস্থাপনা পরিচালক।

- 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 ও (৫) ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।

- গ) বর্তমানে তিনি বোর্ডের কোন কমিটির সদস্য নন।

**জনাবা শওকত আরা আহমেদ**

- ক) জনাবা শওকত আরা আহমেদ ঢাকা বিশ্ববিদ্যালয় থেকে স্নাতক ডিগ্রী অর্জন করেন। ১৯৯৬ সালে তিনি এই কোম্পানীতে যোগদান করেন। তিনি ১৯৯৬ সাল থেকে এই খাতে কাজ করছেন এবং এই খাতে অনেক জ্ঞান অর্জন করেছেন। তিনি বর্তমানে এই কোম্পানীর একজন পরিচালক।

- খ) এই শিল্পে যোগদান করা থেকে এ পর্যন্ত এ শিল্প সম্পর্কে তিনি কোম্পানী পরিচালনার জন্য ব্যাপক জ্ঞান অর্জন করেছেন।

- গ) তিনি এই কোম্পানীর পরিচালক ছাড়াও (১) এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড (২) ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।

- ঘ) বর্তমানে তিনি বোর্ডের কোন কমিটির সদস্য নন।

**(২) জনাব কাজী ফারুক কাদের এম. পি. বিএসইসি কর্পোরেট গাইডলাইনস অনুসারে স্বতন্ত্র পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়েছেন**

জনাব কাজী ফারুক কাদের এম. পি এর বিস্তারিত বিবরণ নিম্নরূপঃ

- ক) জনাব কাদের ঢাকা বিশ্ববিদ্যালয় হইতে স্নাতক ডিগ্রি অর্জন করেন। তিনি ১৯৮৮ থেকে ১৯৮৯ সন পর্যন্ত সংসদ সদস্য ছিলেন এবং এই সময়ে তিনি বানিজ্য মন্ত্রণালয়ের স্ট্যান্ডিং কমিটির সদস্য ছিলেন এবং তিনি সোনালী ব্যাংক ও সাধারণ বীমা কর্পোরেশনের পরিচালক ও চেয়ারম্যান হিসাবে নিয়োগ প্রাপ্ত হয়েছিলেন। তিনি বর্তমান সংসদের একজন মাননীয় সংসদ সদস্য।
- খ) জনাব কাদের এই কোম্পানীর একজন স্বতন্ত্র পরিচালক এবং এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।
- গ) জনাব কাদের এই কোম্পানী ছাড়াও এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এর স্বতন্ত্র পরিচালক।
- ঘ) বর্তমানে জনাব কাদের অডিট কমিটির চেয়ারম্যান।

**২৩. নিরীক্ষকঃ**

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী বর্তমান নিরীক্ষক মেসার্স মালেক সিদ্দিক ওয়ালী, চার্টার্ড একাউন্ট্যান্টস্ পর পর তিন বৎসর নিরীক্ষা কার্য সম্পাদন করেছেন এবং অবসর গ্রহণ করছেন। যোগ্য বিধায় ২০১৩-২০১৪ হিসাব বৎসরের জন্য মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড একাউন্ট্যান্টস্ তাহাদেরকে নিরীক্ষক নিয়োগের জন্য আবেদন করেছেন।

**২৪. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ**

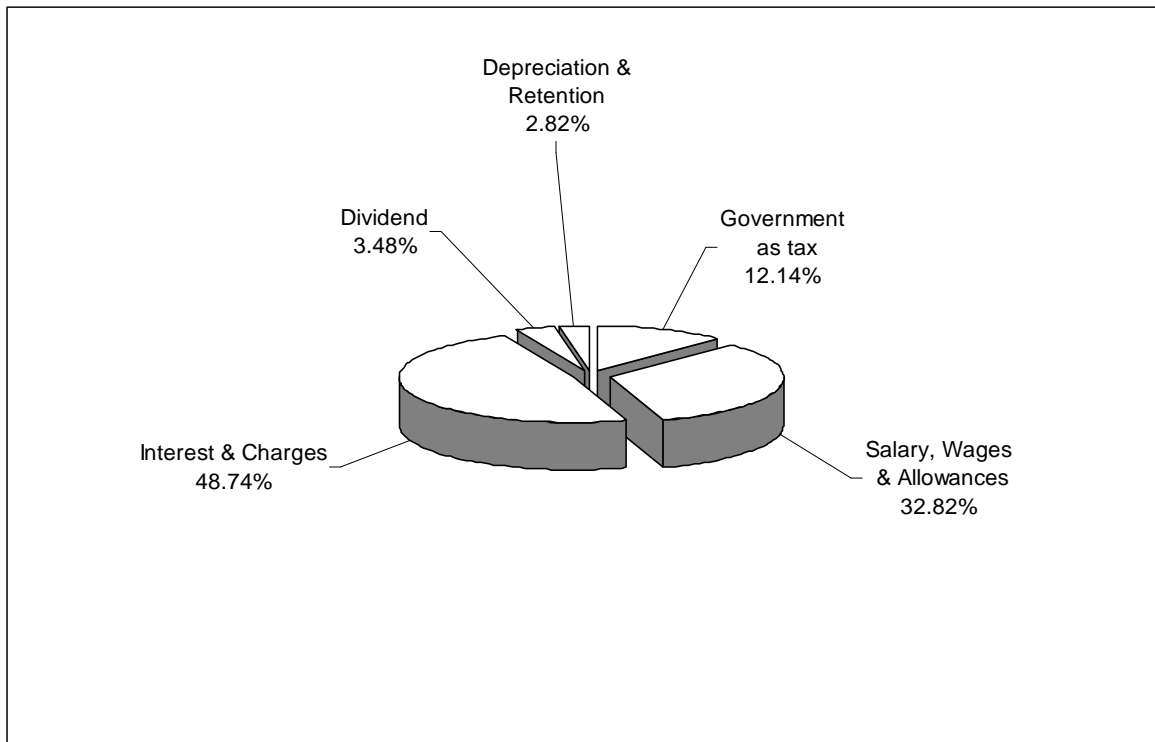
বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী কর্পোরেট গভর্নেন্স প্রতিবেদন সংযুক্ত করা হলো।

ঢাকা  
০৩ আগস্ট, ২০১৩

বোর্ডের পক্ষে  
স্বা/-  
জাফর আহমেদ  
সভাপতি

### VALUE ADDED STATEMENT

PARTICULARS	2012-13	%	2011-12	%
<b>VALUE ADDED</b>				
Turnover	3,305,717,280		3,933,346,104	
Less: Bought in Materials & Services	3,010,417,901		3,693,061,622	
	-----		-----	
	<b>295,299,379</b>		<b>240,284,482</b>	
	=====		=====	
<b>APPLICATIONS</b>				
Government as Tax	35,851,776	12.14	23,119,140	9.62
Employees as Salary Wages & Allowances	96,907,116	32.82	81,308,734	33.84
Providers of Loan as Interest & Charges	143,941,673	48.74	107,277,682	44.65
Providers of Capital as Dividend	10,264,320	3.48	7,983,360	3.32
Depreciation & Retention	8,334,494	2.82	20,595,566	8.57
	-----		-----	
	<b>295,299,379</b>	<b>100.00</b>	<b>240,284,482</b>	<b>100.00</b>
	=====	=====	=====	=====





## AUDITORS' REPORT TO THE SHAREHOLDERS

### Introduction

We have audited the accompanying financial statements of the Apex Foods Limited, which comprise the Statement of Financial Position as at 30<sup>th</sup> June 2013, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility included designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are responsible in the circumstances.

### Auditors' responsibility

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

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

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

### Opinion

In our opinion, the financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and Bangladesh Financial Reporting Standards (BFRS) give a true and fair view of the state of the company's affairs as at 30<sup>th</sup> June 2013 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) The statement of financial position (balance sheet) and statement of comprehensive income (profit and loss account) dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated; Dhaka  
August 03, 2013

Sd/-  
**Malek Siddiqui Wali**  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

### AS AT 30<sup>TH</sup> JUNE, 2013

	NOTES	30.06.2013	Value in Taka 30.06.2012
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Property, Plant and Equipment	2	154,420,599	147,408,771
Machinery in Transit	3	32,033,037	-
Investment	4	151,279,722	189,186,650
Immovable Property (At Cost)	5	12,039,990	12,039,990
Deferred Tax Assets		326,053	410,573
		<b>350,099,401</b>	<b>349,045,984</b>
<b>Current Assets:</b>			
Inventories	6	875,860,190	715,872,045
Trade Debtors	7	98,149,748	82,036,136
Advance, Deposits & Prepayments	8	55,735,141	37,913,602
Other Receivable	9	77,357,565	54,530,281
Cash & Cash Equivalents	10	301,450,822	332,017,196
		<b>1,408,553,466</b>	<b>1,222,369,260</b>
<b>TOTAL ASSETS</b>		<b><u>1,758,652,867</u></b>	<b><u>1,571,415,244</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>			
Share Capital	11	57,024,000	57,024,000
Share Premium	12	209,088,000	209,088,000
Reserve and Surplus	13	145,717,392	141,392,282
Fair Valuation Surplus of Investments	14	106,030,072	143,937,000
		<b>517,859,464</b>	<b>551,441,282</b>
<b>Non-Current Liabilities:</b>			
Long Term Loan	15	112,500,000	142,500,000
		<b>112,500,000</b>	<b>142,500,000</b>
<b>Current Liabilities:</b>			
Working Capital Loan (Secured)	16	778,328,291	766,023,738
Long Term loan-Current Maturity	17	65,817,000	14,186,667
Short Term Loan	18	124,376,507	-
Trade Creditors	19	54,259,056	39,503,650
Sundry Creditors	20	53,741,208	23,259,688
Income Tax Payable		47,788,736	31,164,150
Other Liabilities	21	3,982,605	3,336,069
		<b>1,128,293,403</b>	<b>877,473,962</b>
<b>Total Liabilities</b>		<b><u>1,240,793,403</u></b>	<b><u>1,019,973,962</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,758,652,867</u></b>	<b><u>1,571,415,244</u></b>
<b>Net Asset Value Per Share</b>		<b>90.81</b>	<b>96.70</b>

Annexed notes form an integral part of these Financial Statements.

Sd/-  
**Zafar Ahmed**  
Managing Director

Sd/-  
**Ashim Kumar Barua**  
Director

Sd/-  
**S. K. Halder**  
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka  
August 03, 2013

Sd/-  
**Malek Siddiqui Wali**  
Chartered Accountants

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013

	Notes	2012-13	Value in Taka 2011-12
<b>TURNOVER</b>	<b>22</b>	<b>3,305,717,280</b>	<b>3,933,346,104</b>
Cost of goods sold	23	2,948,342,362	3,629,828,686
<b>GROSS PROFIT</b>		<b>357,374,918</b>	<b>303,517,418</b>
<b>OPERATING EXPENSES:</b>		<b>336,710,675</b>	<b>284,782,908</b>
Administrative & selling overhead	27	192,769,002	177,505,226
Financial expenses	28	143,941,673	107,277,682
<b>OPERATING PROFIT/(LOSS)</b>		<b>20,664,243</b>	<b>18,734,510</b>
Other income	29	44,985,484	30,305,059
<b>PROFIT BEFORE PPF &amp; WF</b>		<b>65,649,727</b>	<b>49,039,569</b>
Provision for contribution to PPF & WF	30	3,282,486	2,335,218
<b>PROFIT BEFORE TAX</b>		<b>62,367,241</b>	<b>46,704,351</b>
<b>Tax expenses:</b>	<b>31</b>		
Current tax		47,788,736	31,164,150
Deferred tax expenses/(income)		84,520	105,984
<b>NET PROFIT/(LOSS) AFTER TAX</b>		<b>14,493,985</b>	<b>15,434,217</b>
<b>Other comprehensive income:</b>			
Fair valuation surplus/(deficit) of investment	14	(37,906,928)	143,937,000
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(23,412,943)</b>	<b>159,371,217</b>
EPS with fair valuation surplus/(deficit) of investments	32	(4.11)	27.95
EPS without fair valuation surplus/(deficit) of investments	32	<u>2.54</u>	<u>2.71</u>

Annexed notes form an integral part of these Financial Statements.

Sd/-  
**Zafar Ahmed**  
Managing Director

Sd/-  
**Ashim Kumar Barua**  
Director

Sd/-  
**S. K. Halder**  
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka  
August 03, 2013

Sd/-  
**Malek Siddiqui Wali**  
Chartered Accountants

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 30th June 2012</b>	<b>57,024,000</b>	<b>209,088,000</b>	<b>51,162,905</b>	<b>89,622,377</b>	<b>607,000</b>	<b>143,937,000</b>	<b>551,441,282</b>
Net profit after tax of 2012-13	-	-	-	14,493,985	-	-	14,493,985
Final dividend for the year 2011-12	-	-	-	(10,264,320)	-	-	(10,264,320)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	(37,906,928)	(37,906,928)
Prior year's adjustment*	-	-	-	95,445	-	-	95,445
<b>As at 30th June 2013</b>	<b>57,024,000</b>	<b>209,088,000</b>	<b>51,162,905</b>	<b>93,947,487</b>	<b>607,000</b>	<b>106,030,072</b>	<b>517,859,464</b>

- Please refer to Note No. 33 for prior years' adjustment.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2012

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
<b>As at 30th June 2011</b>	<b>57,024,000</b>	<b>209,088,000</b>	<b>51,162,905</b>	<b>87,308,718</b>	<b>607,000</b>	-	<b>405,190,623</b>
Net profit after tax of 2011-12	-	-	-	15,434,217	-	-	15,434,217
Final dividend for the year 2010-11	-	-	-	(7,983,360)	-	-	(7,983,360)
Fair valuation surplus of Investments	-	-	-	-	-	143,937,000	143,937,000
Prior year's adjustment	-	-	-	(5,137,198)	-	-	(5,137,198)
<b>As at 30th June 2012</b>	<b>57,024,000</b>	<b>209,088,000</b>	<b>51,162,905</b>	<b>89,622,377</b>	<b>607,000</b>	<b>143,937,000</b>	<b>551,441,282</b>

Annexed notes form an integral part of these Financial Statements.

Sd/-  
**Zafar Ahmed**  
Managing Director

Sd/-  
**Ashim Kumar Barua**  
Director

Sd/-  
**S. K. Halder**  
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka  
August 03, 2013

Sd/-  
**Malek Siddiqui Wali**  
Chartered Accountants

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013

	2012-13	Value in Taka 2011-12
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from turnover	3,289,603,668	3,860,618,468
Other income	44,985,484	30,305,059
Interest and other financial charges paid	(122,311,340)	(107,277,682)
Income tax paid	(46,417,232)	(31,048,897)
Payment for costs and expenses	(3,248,757,874)	(3,600,505,466)
<b>Net cash generated from operating activities (a)</b>	<b>(82,897,294)</b>	<b>152,091,482</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Property, plant and equipment acquired	(42,699,319)	(26,383,292)
Machinery in transit	(32,033,037)	-
Investment in shares of CDBL	-	2,847,250
<b>Net cash used in investing activities (b)</b>	<b>(74,732,356)</b>	<b>(23,536,042)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Working capital loan received/(repaid)	12,304,553	(6,703,096)
Long term loan received/(repaid)	-	(8,199,326)
Short term loan received/(repaid)	124,376,507	(51,354,724)
Dividend Paid	(9,617,784)	(7,449,346)
<b>Net cash generated from financing activities (c)</b>	<b>127,063,276</b>	<b>(73,706,492)</b>
<b>Net increase/(decrease) in cash and cash equivalents(a+b+c)</b>	<b>(30,566,374)</b>	<b>54,848,948</b>
Cash and cash equivalents on opening	332,017,196	277,168,248
<b>Cash and cash equivalents on closing</b>	<b>301,450,822</b>	<b>332,017,196</b>
<b>Net operating cash flow per share</b>	<b>(14.54)</b>	<b>26.67</b>

Annexed notes form an integral part of these Financial Statements.

Sd/-  
**Zafar Ahmed**  
Managing Director

Sd/-  
**Ashim Kumar Barua**  
Director

Sd/-  
**S. K. Halder**  
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka  
August 03, 2013

Sd/-  
**Malek Siddiqui Wali**  
Chartered Accountants

## APEX FOODS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> JUNE, 2013 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

##### a. 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 on 21.03.1979. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

##### b. Address of Registered Office and Factory:

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

##### c. Nature of Business Activities:

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

##### d. Accounting Convention and Basis:

These Financial Statements have been prepared under the Historical Cost Convention and Going Concern basis in accordance with applicable International Accounting Standards in Bangladesh 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.

##### e. Application of Bangladesh Accounting Standards (BAS):

The following BASs are applicable for the financial statements for the year under review:

BAS-1	Presentation of financial statements
BAS-2	Inventories
BAS-7	Statement of Cash Flows
BAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS-10	Events after the Balance Sheet date
BAS-12	Income Taxes
BAS-14	Segment Reporting
BAS-16	Property, Plant and Equipments
BAS-18	Revenue
BAS-21	The Effects of Changes in Foreign Exchange Rates
BAS-23	Borrowing Costs
BAS-24	Related Party Disclosures
BAS-33	Earnings Per Share
BAS-37	Provisions, Contingent Liabilities and Contingent Assets
BAS-39	Financial Instruments: Recognition and Measurement

##### f. Compliance with local laws:

The Financial Statements have been prepared in compliance with requirements of the Companies Act 1994, The Securities & Exchange Rules, 1987 and other relevant local laws and rules.

**g. Compliance with International Accounting Standard (IAS):**

The Financial Statements have been prepared in compliance with requirements of IAS's adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

**h. Property, Plant and Equipment:**

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

**i. Depreciation:**

Depreciation is charged on all fixed assets except land and land development on reducing balance method.

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 %
Crockery	20 %

**j. Inventories:**

Inventories in hand except Packing Materials and Chemicals have been valued at lower of cost and net realizable value in accordance with BAS 2 "Inventories" after making due allowance for any obsolete or slow moving items. Packing Materials and Chemicals have been valued at cost.

**k. Taxation:**

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

**l. 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 has been deducted at source @ 0.80% on export proceeds and provision has been made accordingly. However, the tax provision has been made @ 27.50% on interest earned and 20% on dividend income as per provision of the Income Tax Ordinance, 1984.

**m. Deferred Tax:**

Deferred tax assets or deferred tax liabilities have been accounted for in accordance with BAS 12 "Income Taxes". Deferred tax arises due to temporary difference, deductible or taxable for the events or transactions recognized in the statement of 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.

**n. Trade Debtors:**

Export bills receivables are stated at the original invoice value.

**o. Creditors 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.

**p. Earning Per Share:**

The Company calculates Earnings Per Share (EPS) in accordance with BAS 33 “Earnings Per Share” which has been shown on the face of statement of comprehensive income and the computation of EPS is stated in Note 32.

**i. Basic Earnings**

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

**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.

**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.

**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.

**q. Statement of Cash Flows:**

Statement of Cash Flows has been prepared in accordance with BAS 7 “Statement of Cash Flows” and the cash flow 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 BAS 7 which provides that “Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method”.

**r. 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 Balance Sheet date in accordance with BAS 21 “The Effects of Changes in Foreign Exchange Rates”.

**s. Revenue Recognition:**

Exports are made against confirmed L/C and firm contracts. The sale proceeds are accounted for upon shipments and after satisfying all the conditions for revenue recognition as provided in BAS 18 “Revenue”.



**t. 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.

**u. Contribution to PPF & WF:**

This is being calculated 5% of the net profit before charging such contribution provided as per provisions of the Bangladesh Labor Act 2006 and is payable to workers' as defined in the said Act.

**v. Risk and uncertainties for use of estimates in preparation of financial statements:**

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial 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.

**w. Comparative information:**

Comparative information have been disclosed in respect of the year 2011-12 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.

**x. Reporting currency and level of precision:**

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

**y. Reporting period:**

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

**z. Others:**

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

- i) Statement of Financial Position as at 30<sup>th</sup> June 2013.
- ii) Statement of Comprehensive Income for the year ended 30<sup>th</sup> June 2013.
- iii) Statement of Changes in Equity for the year ended 30<sup>th</sup> June 2013.
- iv) Statement of Cash Flows for the year ended 30<sup>th</sup> June 2013.
- v) Accounting Policies and explanatory notes.

**2. PROPERTY, PLANT AND EQUIPMENT: TK. 154,420,599**

SL NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V. as at 30.06.13
		Balance as at 01.07.12	Addition during the year	Balance as at 30.06.13		Balance as at 01.07.12	For the year	Balance as at 30.06.13	
1	Land & Land Development	3,392,470	-	3,392,470		-	-	-	3,392,470
2	Factory Building	76,640,121	4,270,900	80,911,021	20	64,249,378	3,332,329	67,581,707	13,329,314
3	Plant & Machinery	405,488,012	37,058,184	442,546,196	20	291,614,954	30,186,248	321,801,202	120,744,994
4	Factory Equipments	30,784,047	1,734,170	32,518,217	20	22,906,788	1,922,286	24,829,074	7,689,143
5	Furniture & Fixture	12,213,862	427,416	12,641,278	10	7,135,688	550,559	7,686,247	4,955,031
6	Office Equipments	13,953,336	437,800	14,391,136	20	10,820,481	714,131	11,534,612	2,856,524
7	Motor Vehicles	16,684,143	141,000	16,825,143	20	15,093,229	346,383	15,439,612	1,385,531
8	Crockery	228,138	11,191	239,329	20	154,840	16,897	171,737	67,592
	<b>Total</b>	<b>559,384,129</b>	<b>44,080,661</b>	<b>603,464,790</b>		<b>411,975,358</b>	<b>37,068,833</b>	<b>449,044,191</b>	<b>154,420,599</b>

**Charged to:**

Cost of goods sold	35,440,863
Administrative & selling overhead	<u>1,627,970</u>
	<b><u>37,068,833</u></b>

**3. MACHINERY IN TRANSIT: TK. 32,033,037**

- Machinery in transit represents one Duetz Gas Generating set of EURO 290,000/- has been imported for factory which was in transit as on 30 June 2013 and subsequently the generator has been installed in the factory.

**4. INVESTMENT: TK. 151,279,722****In Shares:**

	<u>2012-13</u>	<u>2011-12</u>
Apex Spinning & Knitting Mills Limited (2,263,200 Shares of Tk. 10.00 each at par.)	139,662,072	172,569,000
Apex Weaving & Finishing Mills Limited (2,000,000 Shares of TK. 10.00 each at par.)	9,000,000	14,000,000
Amam Sea Food Industries Limited (10,482 Shares of Tk. 100.00 each at par)	1,048,200	1,048,200
Central Depository Bangladesh Limited (571,181 Share of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)	1,569,450	1,569,450
	<b><u>151,279,722</u></b>	<b><u>189,186,650</u></b>

- Investments in shares of Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited have been valued at market price on 30.06.2013 as per BAS 39.
- As the shares of Amam Sea Food Industries Limited have not traded during the year under review and the last trade date was on 24.02.2009, the price has been shown at face value.
- Investment in Apex Weaving & Finishing Mills Ltd. is under litigation. As the issue is under litigation, no dividend has yet been accounted for.

**Market Price of Listed Companies Shares (As on 30.06.13)**

Apex Spinning & Knitting Mills Ltd. (Last trade date 30.06.2013)	61.71	76.25
Apex Weaving & Finishing Mills Ltd. (Last trade date 30.05.2013)	4.50	7.00
Amam Sea Food Industries Ltd. (Last trade date 24.02.2009)	220	220

**5. IMMOVABLE PROPERTY: TK. 12,039,990**

	<u>2012-13</u>	<u>2011-12</u>
<b>Immovable Property</b>	<b>12,039,990</b>	<b>12,039,990</b>
	=====	=====

- Immovable property represents the cost of land at Kalampur, Gazipur and its development for setting up new industries.

**6. INVENTORIES: TK. 875,860,190**

	<b>Qty. in Kg.</b>		
Shrimps	936,650	860,755,364	696,034,557
Packing Materials	-	10,035,547	19,837,488
Chemical & Ingredients	34,588	5,069,279	-
	<u>971,238</u>	<u>875,860,190</u>	<u>715,872,045</u>
	=====	=====	=====

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

**7. TRADE DEBTORS: TK. 98,149,748**

Export Bills Receivable	<u>98,149,748</u>	<u>82,036,136</u>
-------------------------	-------------------	-------------------

- All debtors are considered good and subsequently fully realized.

**8. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 55,735,141**

Advance against Shrimp Purchase	-	366,900
Advance against expenses	1,473,500	-
Advance to Employees	-	111,000
Deposits & Prepayments	7,341,067	6,095,229
Advance Income Tax	46,688,999	31,340,473
L/C margin with Agrani Bank Limited	<u>231,575</u>	-
	<u>55,735,141</u>	<u>37,913,602</u>
	=====	=====

- Advance against expenses are adjusted regularly and considered good.
- Deposits and Prepayments are secured.
- Advance tax represents tax deduction at source and tax paid in advance as per Income Tax Ordinance 1984.
- No amount was due by the Directors and other officers of the Company or by associated undertaking.

**9. OTHER RECEIVABLE: TK. 77,357,565**

Insurance Claim Receivable	16,254,727	16,254,727
Cash Incentive Receivable	61,102,838	38,275,554
	<u>77,357,565</u>	<u>54,530,281</u>
	=====	=====

- Insurance Claim receivables from Insurance Company against deterioration of stock because of machinery break down. Appropriate claim has been lodged with the Insurance Company and the claim is under litigation.

	<u>2012-13</u>	<u>2011-12</u>
<b>10. CASH AND CASH EQUIVALENTS: TK. 301,450,822</b>		
<b>Cash in Hand:</b>		
Head Office	88,428	60,985
Factory Office	105,906	61,677
	<b>194,334</b>	<b>122,662</b>
<b>Cash at Bank with:</b>		
Agrani Bank, Agrabad Corporate Br. Chittagong.	22,002,772	22,799,948
Arab Bangladesh Bank Ltd. Principal Br, Dhaka.	631,376	640,843
Eastern Bank Ltd., Principal Branch, Dhaka	30,246	72,747
The Hongkong & Shanghai Banking Corporation, Dhaka	1,175,182	1,141,142
Dhaka Bank Ltd., Foreign Exchange Branch, Dhaka	9,771	1,330,929
FDR with HSBC, Dhaka	82,554,333	55,000,000
FDR with Eastern Bank Limited, Dhaka	52,836,744	76,910,921
FDR with Dhaka Bank Limited, Dhaka	142,016,064	173,998,004
	<b>301,256,488</b>	<b>331,894,534</b>
	-----	-----
	<b>301,450,822</b>	<b>332,017,196</b>
	=====	=====

- Cash in hand was physically verified. All Bank balances were reconciled and confirmed.

#### 11. SHARE CAPITAL: TK. 57,024,000

##### Authorized Capital:

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

##### Issued, Subscribed & Paid up Capital:

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

- There was no preference share issued by the Company.

##### Composition of Shareholdings (As on 30.6.2013):

Sponsors & Directors	50.42%	50.42%
Institution	19.18%	14.89%
Public - Local	30.40%	34.69%
	-----	-----
	<b>100.00%</b>	<b>100.00%</b>
	=====	=====

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>
2,685	Less than & equal 500 Shares	369,170	6.47
436	501 to 5,000 Shares	633,140	11.10
39	5,001 to 10,000 Shares	284,650	4.99
20	10,001 to 20,000 Shares	286,550	5.03
5	20,001 to 30,000 Shares	129,350	2.27
2	30,001 to 40,000 Shares	72,750	1.28
2	40,001 to 50,000 Shares	88,450	1.55
4	50,001 to 100,000 Shares	278,200	4.88
3	100,001 to 200,000 Shares	427,580	7.50
5	Over 200,000 Shares	3,132,560	54.93
----- <b>3,201</b> =====		----- <b>5,702,400</b> =====	----- <b>100.00</b> =====

2012-132011-12

#### 12. SHARE PREMIUM: TK. 209,088,000

209,088,000209,088,000

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

#### 13. RESERVE AND SURPLUS: TK. 145,717,392

- This represents the following:

Reserve for Re-investment	51,162,905	51,162,905
Retained Earnings	93,947,487	89,622,377
Capital Gain	607,000	607,000
	----- <b>145,717,392</b> =====	----- <b>141,392,282</b> =====

#### 14. FAIR VALUATION SURPLUS OF INVESTMENT: TK 106,030,072

Opening Balance	143,937,000	-
Adjustment for fair valuation surplus/(deficit) during the year	(37,906,928)	143,937,000
	----- <b>106,030,072</b> =====	----- <b>143,937,000</b> =====

- Fair valuation surplus/(deficit) of investments represents the difference of 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 last Balance Sheet price.

	<u>2012-13</u>	<u>2011-12</u>
<b>15. LONG TERM LOAN: TK. 112,500,000</b>		
Term Loan	112,500,000	142,500,000
	-----	-----
	<b>112,500,000</b>	<b>142,500,000</b>
	=====	=====

- Term loan received from Agrani Bank Limited at 14% interest rate p.a.

**16. WORKING CAPITAL LOAN: TK. 778,328,291**

Against Hypothecation	161,886,784	152,252,795
Against Pledge of Finished Goods	616,441,507	613,770,943
	-----	-----
	<b>778,328,291</b>	<b>766,023,738</b>
	=====	=====

- The Working Capital Loan was taken from Agrani Bank Limited, Agrabad Corporate Branch, Jahan Building, Agrabad C/A, Chittagong, 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 @ 15.50% p.a. from 1<sup>st</sup> July to 31 December 2012 and @ 10.50% p.a. from 1<sup>st</sup> January 2013 to 30<sup>th</sup> June 2013.

**17. LONG TERM LOAN-CURRENT MATURITY: TK. 65,817,000**

Long Term Loan	65,817,000	14,186,667
	-----	-----
	<b>65,817,000</b>	<b>14,186,667</b>
	=====	=====

- This represents the current portion of term loan liability payable in next twelve months.

**18. SHORT TERM LOAN: TK. 124,376,507**

Dhaka Bank Limited	92,978,034	-
Liability for machinery with HSBC	<u>31,398,473</u>	-
	<b><u>124,376,507</u></b>	-

- Loan from Dhaka Bank Limited, Foreign Exchange Branch, Dhaka against lien on FDRs and the loan bear interest @17.38% p.a.
- Liability for machinery with HSBC represents the cost of one Deutz Gas Generating set of EURO 290,000/- and the loan bears LIBOR interest rate.

**19. TRADE CREDITORS: TK. 54,259,056**

Shrimp Purchased	<b>54,259,056</b>	<b>39,503,650</b>
	=====	=====

- 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 creditors were paid in full subsequently.

	<u>2012-13</u>	<u>2011-12</u>
<b>20. SUNDRY CREDITORS: TK. 53,741,208</b>		
Advertisement	11,250	-
Advance against export	22,976,811	-
Audit Fees	70,000	70,000
Chemicals	70,235	-
Clearing & Forwarding	442,140	673,063
Consumable Stores	240,629	177,190
Contribution to PPF & WF	3,282,486	2,335,218
Directors Remuneration	300,000	-
Factory Building	594,425	-
Factory Equipment	63,775	-
Furniture & Fixture	19,726	-
Ice	1,597,550	616,590
Insurance Premium	-	470,882
Laboratory Expenses	59,450	37,627
Ocean Freight	554,425	1,185,971
Packing Materials	10,264,802	9,529,878
Plant & Machinery	703,416	-
Postage & Stamp	34,589	17,023
Power, Fuel and Water	1,535,418	343,735
Printing & Stationery	8,790	13,850
Repairs (Factory Building)	163,336	144,107
Repairs (Machinery & Equipments)	436,316	1,446,587
Salary & Allowances	1,253,743	783,412
Sales Promotion Expenses	312,029	478,390
Sanitation	59,775	69,404
Staff income tax	376,035	412,881
Staff Welfare	53,600	96,000
Survey Fees & Inspection	20,152	22,624
Telephone	22,292	38,341
Uniform & Liveries	198,635	31,050
Vehicle-Maintenance	-	12,550
Wages & Salaries	<u>8,015,378</u>	<u>4,253,315</u>
	<b><u>53,741,208</u></b>	<b><u>23,259,688</u></b>

- All Creditors have been fully paid subsequently except PPF & WF and Audit Fees.

## 21. OTHER LIABILITIES: TK. 3,982,605

Unclaimed Dividend	<b>3,982,605</b>	<b>3,336,069</b>
	=====	=====

- Unclaimed dividend represents the dividend warrants of Tk. 3,982,605/- not presented to Bank by the Shareholders within June 30, 2013. The details of unclaimed dividend as on 30.06.2013 is as under:

<u>Year</u>	<u>Taka</u>
Up to 2008-09	2,254,814
2009-10	402,678
2010-11	648,992
2011-12	<u>676,121</u>
	<b><u>3,982,605</u></b>

			<u>2012-13</u>	<u>2011-12</u>
<b>22. TURNOVER: TK. 3,305,717,280</b>				
	<u>Qty. in Kg.</u>	<u>US\$</u>		
Shrimps			<u>3,305,717,280</u>	<u>3,933,346,104</u>
	<b>4,423,435</b>	<b>41,576,694</b>	<b>3,305,717,280</b>	<b>3,933,346,104</b>
	=====	=====	=====	=====

- Country wise break up of the Export for the year 2012-13

<u>Name of the Countries</u>	<u>Quantity in KG</u>	<u>USD</u>
Germany	831,800	6,926,320
Mauritius	39,600	220,005
Netherlands	395,396	3,173,202
Portugal	1,000,000	6,372,000
Russia	1,215,391	11,153,454
Spain	16,320	166,033
UK	384,211	5,455,187
USA	<u>540,717</u>	<u>8,110,493</u>
	<b><u>4,423,435</u></b>	<b><u>41,576,694</u></b>

**23. COST OF GOODS SOLD: TK. 2,948,342,362**

	<u>Qty. in Kg.</u>	<u>Notes</u>		
Opening Stock of Finished Goods	923,994		696,034,557	899,965,718
Add: Cost of Production	<u>4,436,091</u>	<b>24</b>	<u>3,113,063,169</u>	<u>3,425,897,525</u>
	<b>5,360,085</b>		<b>3,809,097,726</b>	<b>4,325,863,243</b>
Less: Closing Stock of Finished Goods	<u>936,650</u>		<u>860,755,364</u>	<u>696,034,557</u>
	<b>4,423,435</b>		<b>2,948,342,362</b>	<b>3,629,828,686</b>
	=====		=====	=====

**24. COST OF PRODUCTION: TK. 3,113,063,169**

	<u>Qty. in Kg.</u>	<u>Notes</u>		
Shrimp Purchased	5,149,797		2,866,874,560	3,199,640,150
Packing Materials, Chemicals, Ice and Ingredients		<b>25</b>	111,074,918	107,739,151
Direct Labor			43,556,022	43,063,256
Factory Overhead		<b>26</b>	56,116,806	41,919,702
Depreciation			<u>35,440,863</u>	<u>33,535,266</u>
			<b>3,113,063,169</b>	<b>3,425,897,525</b>
			=====	=====

- Cash incentive adjusted with the raw materials purchase.

**25. PACKING MATERIALS, CHEMICALS, ICE & INGREDIENTS CONSUMED: TK. 111,074,918**

Opening Balance (Packing Materials)	19,837,488	7,376,526
Add: Packing Materials Purchase	<u>84,804,732</u>	<u>88,955,639</u>
	<b>104,642,220</b>	<b>96,332,165</b>
Less: Packing Materials in hand	<u>10,035,547</u>	<u>19,837,488</u>
	<b>94,606,673</b>	<b>76,494,677</b>
Add: Chemicals, Ice and Ingredients Purchase	<u>21,537,524</u>	<u>31,244,474</u>
	<b>116,144,197</b>	<b>107,739,151</b>
Less: Chemical and Ingredients in hand	<u>5,069,279</u>	<u>-</u>
	<b><u>111,074,918</u></b>	<b><u>107,739,151</u></b>



	<u>2012-13</u>	<u>2011-12</u>
<b>26. FACTORY OVERHEAD: TK. 56,116,806</b>		
Wages & Salaries	24,239,170	14,612,486
Bonus to Workers'	562,133	425,727
Power, Fuel & Water	20,890,063	17,628,408
Consumable Stores & Spares	1,941,516	1,368,094
Repair & Maintenance	8,386,114	7,806,807
Carriage Inward	97,810	78,180
	<b><u>56,116,806</u></b>	<b><u>41,919,702</u></b>
<b>27. ADMINISTRATIVE AND SELLING OVERHEAD: TK. 192,769,002</b>		
Advertisement	399,055	451,223
AGM Expenses	331,731	172,020
Audit Fee	70,000	70,000
Board Meeting Fees	29,000	29,000
Bonus to Staff	2,221,935	1,759,658
Contribution to Provident Fund	1,121,954	964,224
Depreciation	1,627,970	1,763,508
Directors Remuneration	9,000,000	8,700,000
Donation & Subscription	560,043	41,300
Electricity & WASA Charges	91,975	255,600
Entertainment	825,769	673,750
Freight & Forwarding	95,559,873	91,702,067
General Fees & Charges	80,539	92,854
Guest House Expenses	642,686	673,914
Insurance Premium	3,335,474	2,357,068
Laboratory Expenses	198,891	137,405
Laboratory Testing Fees	13,898,700	13,147,926
Legal & Professional Fees	72,125	72,000
License & Renewals	656,708	714,377
Medical Expenses	15,168	20,397
Membership Subscription	45,800	55,800
Newspaper & Periodicals	32,950	32,917
Postage & Stamp	681,558	524,090
Printing & Stationery	821,090	674,183
Rejection Insurance Premium	10,181,473	10,875,048
Rent, Rates & Taxes	2,682,679	2,236,835
Salary & Allowances	21,923,416	18,148,165
Sales Commission	4,990,398	1,578,421
Sales Promotion Expenses	11,922,717	11,753,245
Sanitation Expenses	418,810	411,728
Staff Fooding	1,211,353	972,498
Staff Welfare Expenses	873,231	863,515
T.A & Conveyance	2,854,953	2,147,563
Telephone, Telex & Fax	875,864	946,120
Uniform & Liveries	780,609	491,428
Vehicles Maintenance	1,732,505	1,995,379
	<b><u>192,769,002</u></b>	<b><u>177,505,226</u></b>

- Rejection Insurance Premium represents the premium paid for rejection coverage of shipments with due permission from Bangladesh Bank.
- Directors Remuneration paid to the Directors for their full time service rendered are:
 

(a) Mr. Zafar Ahmed	4,800,000
(b) Mr. Ashim Kumar Barua	3,600,000
(c) Mr. Kazi Faruq Kader	600,000
	<b><u>9,000,000</u></b>
- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.
- Sales promotional expenses include cost of samples and courier cost for distribution of free samples to the buyers.
- There are 10(Ten) Board Meetings held during the year.

	<u>2012-13</u>	<u>2011-12</u>
<b>28. FINANCIAL EXPENSES: TK. 143,941,673</b>		
Interest	129,080,280	90,537,380
Charges	14,861,393	16,740,302
	-----	-----
	<b>143,941,673</b>	<b>107,277,682</b>
	=====	=====
<b>29. OTHER INCOME: TK. 44,985,484</b>		
<b>Dividend Income:</b>		
Dividend from Apex Spinning & Knitting Mills Ltd	4,073,760	3,394,800
Dividend from CDBL	1,713,543	456,945
	<b>5,787,303</b>	<b>3,851,745</b>
<b>Interest Earned on FDRs and STD Account</b>	<u>39,198,181</u>	<u>26,453,314</u>
	<b><u>44,985,484</u></b>	<b><u>30,305,059</u></b>

**30. PROVISION FOR CONTRIBUTION TO PPF & WF: TK. 3,282,486**

This represents 5% of the net profit before charging such contribution provided as per provisions of the Bangladesh Labor Act 2006 and is payable to workers' as defined in the said Act.

**31. TAX EXPENSES:**

(a) Current Tax	47,788,736
(b) Deferred Tax	84,520

- Current tax represents estimated Income Tax for the period from 1<sup>st</sup> July 2012 to 30<sup>th</sup> June 2013.
- The provision for deferred tax expenses/(income) is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

**32. BASIC EARNING PER SHARE (EPS) – DISCLOSURE UNDER BAS 33 “EARNINGS PER SHARE”:**

$$\text{Basic EPS} = \frac{\text{Earnings attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the year 2012-13}}$$

(a) EPS with fair valuation surplus/(deficit) of investments	=	<b>(23,412,943)</b>	=	<b>(4.11)</b>
		-----		
		<b>5,702,400</b>		
(b) EPS without fair valuation surplus/(deficit) of investments	=	<b>14,493,985</b>	=	<b>2.54</b>
		-----		
		<b>5,702,400</b>		

- 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.
- Significant decrease in EPS without fair valuation surplus/deficit (i.e. up to 3<sup>rd</sup> Quarter, EPS was Tk. 2.20 but annually it has been Tk. 2.54) is mainly due to other income was less as compared to previous 3 (three) quarters.

**33. PRIOR YEARS' ADJUSTMENT: Tk. 95,445**

- Tk. 95,445/- represents the adjustments for tax assessment up to income year 2011-12 as the assessments have been completed by the tax authority.

**34. EVENTS AFTER REPORTING PERIOD:**

The Board of Directors recommended cash Dividend of Tk. 1.80 per Share for the year 2012-13 at the Board meeting held on 03<sup>rd</sup> August 2013. The total amount of Dividend is Tk. 10,264,320/-.

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.

**35. RELATED PARTY TRANSACTIONS:**

- There was no transaction with the Associated Companies during the year.
- There are common Directors in Apex Spinning & Knitting Mills Limited.

**36. GENERAL:**

	<u>2012-13</u>		<u>2011-12</u>	
<b>(a) Production capacity (Quantity in M/T):</b>				
Installed Capacity	7,200	%	7,200	%
Actual Capacity utilized	4,436	61.61	4,406	61.19
	-----		-----	
Variation	<b>2,764</b>		<b>2,794</b>	
	=====		=====	

- 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 non-availability of adequate shrimps throughout the year.

**(b) Production (Quantity in Kg):**

Shrimps	4,436,091	4,406,087
	-----	-----
	<b>4,436,091</b>	<b>4,406,087</b>
	=====	=====

**(c) Export (Quantity in Kg):**

Shrimps	4,423,435	4,754,621
	-----	-----
	<b>4,423,435</b>	<b>4,754,621</b>
	=====	=====

**(d) Consumption: (Value in Tk.)**

<u>Items</u>	<u>Value</u>	<u>Consumption</u>
		%
Local Shrimps	2,866,874,560	96.27
Local Packing Materials, Chemicals, Ice & Ingredients	111,074,918	3.73

**(e) Salaries & Wages**

	<u>No. of Employees</u>	<u>Taka</u>
Up to Tk. 3,000.00 per month	-	-
Above Tk. 3,000.00 per month	195	50,068,608
	-----	-----
	<b>195</b>	<b>50,068,608</b>
	=====	=====

**37. PAYMENTS /PERQUISITES TO DIRECTORS/OFFICERS:**

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 Fee	29,000	--
Salary and Allowance	9,000,000	19,007,403
Provident Fund Contribution	--	979,245
Bonus	--	1,491,871
Perquisites	--	9,991,722

**38. CAPITAL EXPENDITURE COMMITMENT:**

- There was no capital expenditure contracted or incurred or provided for as at 30<sup>th</sup> June 2013.
- There was no material capital expenditure authorized by the Board or contracted for as at 30<sup>th</sup> June 2013.

**39. 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 their directors.
- There was no brokerage paid against sales during the year 2012-13.
- There was no expense on account of miscellaneous/general expenses.
- There was no claim against the Company not acknowledged as debt on 30<sup>th</sup> June 2013.
- There was no credit facility available to the Company under any contract or availed of as on 30<sup>th</sup> June 2013 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**  
Managing Director

Sd/-  
**Ashim Kumar Barua**  
Director

Sd/-  
**S. K. Halder**  
Chief Financial Officer

### PROXY FORM

**The Director**  
**Apex Foods Limited**  
**Rupayan Golden Age, 5<sup>th</sup> & 6<sup>th</sup> 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 THIRTY FOURTH ANNUAL GENERAL MEETING of the Company will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206 on Saturday the September 28, 2013 at 11.00 A.M. and or at any adjournment thereof. Signed this.....day of.....2013.

**AFFIX  
 TWENTY  
 TAKA  
 REVENUE  
 STAMP**

(Signature of the Proxy)  
 BO ID: 

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

  
 Register Folio No.....  
 Dated.....

Signature verified

Authorized Signatory

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

**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. The Proxy Form duly stamped with Revenue Stamp of Tk. 20.00 only, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

### APEX FOODS LIMITED

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

### SHAREHOLDERS' ATTENDANCE SLIP

**Please complete the attendance slip and hand it over at the entrance of the meeting venue.**

I/We record my attendance at the THIRTY FOURTH ANNUAL GENERAL MEETING being held on Saturday the September 28, 2013 at 11.00 A.M. at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206.

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.  
 (2) Please present this slip at the reception desk.