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TRANSMITTAL LETTER

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

Subject: **Annual Report for the year ended on June 30, 2019.**

Dear Sir(s):

We are pleased to enclose a copy of the Annual Report of Apex Foods Limited together with the Audited Financial statements comprising of Statement of Financial Position as at June 30, 2019, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on June 30, 2019 along with Notes thereon for your kind information and record.

Yours sincerely,

Sd/-
Kamrul Islam
Assistant Company Secretary

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the **FORTIETH ANNUAL GENERAL MEETING OF APEX FOODS LIMITED** will be held at the “Spectra Convention Centre Limited”, House No. 19, Road No. 07, Gulshan-1, Dhaka-1212, Bangladesh on **Thursday the December 12, 2019 at 11.00 A.M.** to transact the following businesses:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2019 and report of the Auditors' and Directors thereon.
2. To declare Dividend for the year 2018-19.
3. To elect Directors.
4. To approve appointment of Independent Director.
5. To appoint Auditors for the year 2019-20 and fix their remuneration.
6. To appoint professional for the Certification on Corporate Governance Code for the year 2019-20 and fix their remuneration.
7. To transact any other business of the Company, with permission of the Chair.

Date: Dhaka
November 20, 2019

By order of the Board of Directors

Sd/-
Kamrul Islam
Assistant Company Secretary

NOTES:

1. The Shareholders whose name appeared in the Register of Members of the Company or in the Depository on the “**Record Date i.e. November 13, 2019**” are eligible to attend in the Annual General Meeting and be entitled to the Dividend. Though the Original Record date was November 11, 2019 but due to declaration of DSE with consent of BSEC (dated 07-11-2019) the Record date has shifted to November 13, 2019.
2. 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 filled in, signed and stamped, must be submitted at the Registered Office of the Company not later than **48** hours before the time fixed for the Meeting.
3. Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Notification No.: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20th June, 2018 the **Annual Report 2018-19** of the Company shall be sent to the respective e-mail address of the shareholders mentioned in their Beneficiary Owner (BO) Accounts with the depository. In case of non-receipt of Annual Report 2018-19 of the Company through e-mail, Shareholders may collect the same from the Registered Office of the Company and/or from the AGM venue by submitting written request beforehand. The Annual Report also be available at the Company's Website at: <http://www.apexfoods.com>
4. In pursuance of BSEC's Notification No.: SEC/SRMI/2000-953/1950 dated October 24, 2000 gazette on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994.
5. Admittance to the meeting venue will be strictly on production of the “**Attendance Slip**” sent with the Notice.

Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/উপহার কুপন/খাবার/যাতায়াত ভাতা প্রদানের ব্যবস্থা থাকবে না।

CORPORATE DIRECTORY

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

SENIOR CORPORATE OFFICIALS

Executive Director	:	Mr. Mominuddin Ahmed Khan
Chief Financial Officer	:	Mrs. Sheuli Rani Dey
Head of Internal Audit & Compliance	:	Mr. Ashish Kumar Paul FCA
Assistant Company Secretary	:	Mr. Kamrul Islam

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, Chattogram

REGISTERED OFFICE

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

FACTORY

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

FIVE YEARS STATISTICS

Figure in Thousand Taka

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
Results of Operations:					
Revenue	1,712,670	1,922,168	1,642,772	2,031,947	2,751,780
Gross Profit	197,054	209,731	195,808	191,521	219,627
Operating Profit/(Loss)	96,071	102,415	4,470	(20,800)	(53,525)
Net Profit before Tax	38,406	33,931	27,037	9,278	123,814
Net Profit/(Loss) after Tax	11,811	9,660	8,920	(13,229)	84,843
Earnings per Share (EPS)	2.07	1.69	1.56	(2.32)	14.88
Dividend Per Share*	2.00	2.00	2.00	2.00	2.00
Financial Positions:					
Total Assets	1,682,084	1,872,183	1,758,502	1,545,510	1,779,947
Property, Plant and Equipment-Gross	710,997	705,057	691,866	684,643	678,306
Property, Plant and Equipment-Net	88,988	103,205	113,078	131,305	155,017
Gross Working Capital	1,255,937	1,353,620	1,372,968	1,185,580	1,449,240
Net Working Capital	325,371	306,141	295,060	302,479	344,476
Working Capital Loan	744,293	762,783	768,871	712,861	794,270
Share Capital	57,024	57,024	57,024	57,024	57,024
Share Premium	209,088	209,088	209,088	209,088	209,088
Reserve and Surplus	184,853	184,447	186,192	192,816	225,931
Share Holders Equity	708,811	778,783	652,183	619,359	622,483
Long Term Loan	2,363	2,975	22,500	52,500	82,500
Key Financial Ratios:					
Current Ratio	1.35	1.29	1.27	1.34	1.31
Debt to Total Assets (%)	57.86	58.40	62.91	59.93	65.03
Return on Equity (%)	1.52	1.48	1.44	(2.13)	13.63
Net Asset Value Per Share	124.30	136.57	114.37	108.61	109.16
Dividend Payout Ratio (%)	96.56	118.06	128.21	(86.21)	13.44
Interest Service Coverage Ratio	2.35	2.29	1.05	0.77	0.47
Others:					
Market Price Per Share (30 th June)	175.60	209.20	146.36	116.49	100.20
Price Earning Multiple	84.83	123.79	93.82	(50.21)	6.73
Number of Employees (Including contract labor)	465	413	428	533	600
Capacity Utilization (%)	25.49	30.36	29.25	32.01	41.58

* The Board of Directors recommended Cash Dividend @Tk. 2/- per Share for the year ended on 30th June 2019.

AUDIT COMMITTEE REPORT

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

The Audit Committee of the Company comprises of three Directors, nominated by the Board of Directors of the Company, headed by the Independent Director, Mr. Kazi Faruq Kader. 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 2018-19, six Audit Committee meetings were held, the details of attendance of each member at the Audit Committee meetings are as follows:

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

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

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Hold meeting with the external auditors for review of the annual financial statements before submission to the Board for approval.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the Management's discussions and analysis before disclosing in the annual report.
- Review 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 2018-19 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 20th October 2019

On behalf of the Audit Committee

Sd/-

Kazi Faruq Kader

Chairman

NOMINATION AND REMUNERATION COMMITTEE REPORT

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

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

During the year 2018-19, one meeting of the Nomination and Remuneration Committee was held on 20th January, 2019, the details of attendance of each member at the NRC meetings are as follows:

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

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

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.
- The relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- Identifying person who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board.
- Formulating the criteria for evaluation of performance of independent directors and the Board.
- Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria and
- Developing, recommending and reviewing annually the company's human resources and training policies.

The Nomination and Remuneration Committee overall reviewed the Terms of Reference (ToR) of the NRC for the Directors and employees of the company. On the other hand, the committee also observe the transparent selection process for recruitment of the potential candidates on the basis of role profile and yearly evaluation process of the company.

Dated: Dhaka the 20th October 2019

On behalf of the Nomination and Remuneration Committee

Sd/-
Kazi Faruq Kader
 Chairman

MD & CFO's Declaration to the Board of Directors

Date: October 20, 2019

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

Dear Sirs,

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

- (1) The Financial Statements of Apex Foods Limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer (CFO)

Annexure-B

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

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

We have examined the compliance status to the Corporate Governance Code by Apex Foods Limited for the year ended on June 30, 2019. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange commission.

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

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

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

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

Dated: Dhaka
October 20, 2019

Sd/-
Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants
Enrolment No: 671

Corporate Governance Code Compliance Status

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

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

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

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

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

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

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

5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	Complied	
5.3	Chairperson of the Audit Committee		
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	Complied	
5.3(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	Not Applicable	
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	Was present in the AGM of 2017-18.
5.4	Meeting of the Audit Committee		
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	Complied	
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	Complied	
5.5	Role of Audit Committee		
5.5(a)	Oversee the financial reporting process	Complied	
5.5(b)	Monitor choice of accounting policies and principles.	Complied	
5.5(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	Complied	
5.5(d)	Oversee hiring and performance of external auditors	Complied	
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	Complied	
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
5.5(h)	Review the adequacy of internal audit function.	Complied	
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	Complied	
5.5(j)	Review statement of significant related party transactions submitted by the management	Complied	
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors.	Not applicable	

5.5(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	Complied	
5.5(m)	Over see whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	Not applicable	
5.6	Reporting of the Audit Committee		
5.6(a)	Reporting to the Board of Directors		
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	Complied	
5.6.a(ii)a)	report on conflicts of interests;	Not applicable	There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Not applicable	There was no such event to report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;	Not applicable	There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.	Not applicable	There was no such event to report
5.6(b)	Reporting to the Authorities	Not applicable	There was no such event to report
5.7	Reporting to the Shareholders and General Investors.	Not applicable	There was no such event to report
6	Nomination and Remuneration Committee (NRC)		
6.1	Responsibilities to the Board of Directors		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	Complied	
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	Complied	
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	Complied	
6.2	Constitution of the NRC		
6.2(a)	The Committee shall comprise of at least three members including an independent director.	Complied	
6.2(b)	All members of the Committee shall be non-executive directors;	Complied	
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	Complied	
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	Complied	
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	Not Applicable	

6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	Not Applicable	
6.2(g)	The company secretary shall act as the secretary of the Committee;	Complied	
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	Complied	.
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	Complied	
6.3	Chairperson of the NRC		
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Complied	
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	Complied	
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	Complied	
6.4	Meeting of the NRC	Complied	1 st Meeting of NRC held on 20 January, 2019.
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	Complied	
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	Not applicable	There was no such event with in the report period.
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	Complied	
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	Complied	
6.5	Role of the NRC		
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	Complied	
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	Complied	
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	Complied	

6.5(b)i)a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	Complied	
6.5(b)i)b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;	Complied	
6.5(b)i)c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	Complied	
6.5(b)ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Complied	
6.5(b)iii)	Identifying person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	Complied	
6.5(b)iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	Complied	
6.5(b)v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	Complied	
6.5(b)vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	Complied	
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	Complied	
7	EXTERNAL OR STATUTORY AUDITORS:		
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:		
7.1(i)	Appraisal or valuation services or fairness opinions.	Complied	
7.1(ii)	Financial information systems design and implementation	Complied	
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	Complied	
7.1(iv)	Broker-dealer services	Complied	
7.1(v)	Actuarial services.	Complied	
7.1(vi)	Internal audit services.	Complied	
7.1(vii)	Any service that the Audit Committee determines.	Complied	
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No 9(1); and	Complied	
7.1(ix)	Any other service that creates conflict of interest.	Complied	

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

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Fortieth Annual General Meeting of your Company and to present the Annual Report for the year ended 30th June 2019.

Global Economy:

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. Global economic growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019. Growth is projected to pick up to 3.4 percent in 2020, reflecting primarily a projected improvement in economic performance in several emerging markets in Latin America, the Middle East, and emerging and developing Europe that is under macroeconomic strain. Momentum in manufacturing activity has weakened substantially, to levels not seen since the global financial crisis.

Yet, with uncertainty about prospects for several of these countries, a projected slowdown in China and the United States, and prominent downside risks, a much more subdued pace of global activity could well materialize. Rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation more generally, taking a toll on business confidence, investment decisions, and global trade.

A notable shift toward increased monetary policy accommodation—through both action and communication—has cushioned the impact of these tensions on financial market sentiment and activity, while a generally resilient service sector has supported employment growth. That said, the outlook remains uncertain.

Bangladesh Economy:

The economic outlook for South Asia is highly divergent across countries. There are some economies, including Bangladesh, Bhutan, and India, where economic conditions are largely positive, with GDP growth projected to remain robust in the near term.

Bangladesh will stand out by growing at record 8% in 2019 and 2020, making it the fastest-growing economy in Asia-Pacific. The growth is happening at a time when the global economic outlook remains challenging and growth is expected to moderate across most of developing Asia at 5.7% in 2019 and 5.6% in 2020.

Today Bangladesh is seen as a model for growth even in this difficult global economic outlook. Bangladesh economy is also set to continue expanding at a fast pace in the near term, above 7% per year, amid strong fixed investment and accommodative monetary policy. Economic growth is expected to be supported by private consumption and, in some cases, investment demand, even as monetary policy stances tighten. Despite the increase observed for inflation figures throughout 2018 due to the depreciation of domestic currencies, inflation is expected to accelerate only moderately or to remain stable in the near term.

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
October 20, 2019

Sd/-
Zafar Ahmed
Chairman

MANAGING DIRECTOR'S STATEMENT

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

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

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

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

(b) Changes in accounting policies and estimation:

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

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

Particulars	"Figure in thousand Taka"					
	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operational and Financial Data:						
Revenue	1,712,670	1,922,168	1,642,772	2,031,947	2,751,780	3,844,681
Gross Profit	197,054	209,731	195,808	191,521	219,627	297,878
Operating Profit/(Loss)	96,071	102,415	4,470	(20,800)	(53,525)	31,319
Net Profit before Tax	38,406	33,931	27,037	9,278	123,814	66,858
Net Profit/(Loss) after Tax	11,811	9,660	8,920	(13,229)	84,843	17,041
Total Assets	1,682,084	1,872,183	1,758,502	1,545,510	1,779,947	1,693,029
Total Liabilities	973,274	1,093,400	1,106,319	926,151	1,157,463	1,130,978
Current Assets	1,255,937	1,353,620	1,372,968	1,185,580	1,449,240	1,320,330
Current Liabilities	930,566	1,047,479	1,077,907	883,101	1,104,764	1,040,962
Reserve and Surplus	184,853	184,447	186,192	192,816	225,931	152,494
Share Holders Equity	708,811	778,783	652,183	619,359	622,483	562,052
Current Ratio	1.35	1.29	1.27	1.34	1.31	1.27
Net Asset Value (NAV) per Share	124.30	136.57	114.37	108.61	109.16	98.56
Earnings Per Share (EPS)	2.07	1.69	1.56	(2.32)	14.88	2.99
NOCFPS	24.70	8.25	(25.57)	23.39	(6.64)	19.66

Apex Foods Limited had a continuous growth up to 2013-14 and thereafter we were unable to maintain the growth in same way due to decline of international demand as well as declining the price in international market, however we are trying to overcome the situation with minimization of cost so that the Company can run profitably and maintain sustainable growth. There was significant variance in net operating cash flows. The Net Operating Cash Flows per Share are positive/negative and are different in every financial year as this depends on different issues mainly, Collection from revenue and payment for costs and expenses. This scenario is changeable from time to time depending on different issues.

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

“Figure in thousand Taka”

Particulars	Apex Foods Ltd. 2018-19	Gemini Sea Food Ltd. 2018-19
-------------	----------------------------	---------------------------------

Operational and Financial Data:

Revenue	1,712,670	Not available
Gross Profit	197,054	Not available
Net Profit before Tax	38,406	Not available
Net Profit/(Loss) after Tax	11,811	Not available
Net Asset Value (NAV) per Share	124.30	11.05
Earnings Per Share (EPS)	2.07	0.37
NOCFPS	24.70	11.07

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

There are some economies, including Bangladesh, Bhutan, and India, where economic conditions are largely positive, with GDP growth projected to remain robust in the near term. Bangladesh will stand out by growing at record 8% in 2019 and 2020, making it the fastest-growing economy in Asia-Pacific. The growth is happening at a time when the global economic outlook remains challenging and growth is expected to moderate across most of developing Asia at 5.7% in 2019 and 5.6% in 2020.

Global economic growth is now projected to slow from 3.6 percent in 2018 to 3.3 percent in 2019. Growth is projected to pick up to 3.4 percent in 2020, reflecting primarily a projected improvement in economic performance in several emerging markets in Latin America, the Middle East and emerging and developing Europe that is under macroeconomic strain. Momentum in manufacturing activity has weakened substantially, to levels not seen since the global financial crisis.

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

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

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

(g) Future plan:

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

Dhaka
October 20, 2019

Sd/-
Shahriar Ahmed
Managing Director

REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Independent Auditors' Report and Audited Financial Statements of the Company for the year ended 30th June 2019.

The Directors' Report is prepared in compliance with Section 184 of the Companies Act 1994 and Bangladesh Securities & Exchange Commission's (BSEC) notification no- BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

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

Uncertainty will remain the single biggest challenge for the fishery industry in 2019-20, ranging from a more volatile global economy, the unpredictable outlook of the U.S.-China trade talks to the various possible scenarios of Brexit. While uncertainty creates new opportunities, it could be challenging for companies seeking a foreseeable market environment to guide their future business plans and investments.

Bangladesh's agricultural sector contributes 14.2% of GDP, employing 47% of the working population, with 17 million people (1.4 million women) depending on fisheries sector for their livelihoods through fishing, farming, fish handling, and processing. The agricultural sector has experienced significant growth over the last couple of decades, with the fisheries sector following suit. According to industry estimates, fish production will reach 5.02 million metric tons within 2020-21. The upcoming challenge will be to cope with the global economic outlook.

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

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

(iii) Risks and concerns:

Shrimp farming is becoming risky nowadays, considering the impact of climate change. The quality of the shrimps depend on the quality of the water and climate. It is also associated with a diverse range of risks and uncertainties, including volatile markets, climate variability, and production risks.

Aquaculture research has paid little attention to the influence played by the evaluation and selection of different farming practices, risk perceptions associated with shrimp farming, and the farmers' confidence in their ability to mitigate risk.

Shrimp diseases, price, and availability of quality shrimp seeds, uncertainty about the future demand for shrimp in foreign markets are perceived as the most important sources of risk. On the other hand, prevention of disease, timely supply of shrimp seeds, and farm management training are a good sign to keep a balance between risk and risk management.

(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 1,516 million as compared to last year's cost of goods sold of BDT 1,712 million. This is due to decrease in gross turnover along with an increase in average production cost of Tk. 42/- per Kg. During the year, 1,835,436 Kg of shrimps were produced as against last year's production of 2,186,192 Kg. Production capacity utilized during the year was 25.49%. Raw Material Purchase cost has decreased to the tune of Tk. 183.52 million against last year. Raw materials had to be purchased less during the year due to decrease in sales.

(b) Gross Profit:

The company has achieved an export turnover of Tk. 1,713 million during the year ended 30th June 2019. Last year's turnover was Tk. 1,922 million. The decrease in turnover is 10.90% over the last year. The decrease in turnover is due to global economic slowdown. Gross profit earned during the year was Tk. 197.05 million as against last year's gross profit of Tk. 209.73 million. Despite substantial decrease in the revenue, there is a slight increase in the gross profit margin.

(c) Net Profit:

Net profit / (loss) after tax earned during the year was Tk. 11.81 million as compared to last year's Net Profit / (loss) after tax of Tk. 9.66 million. During the year, the company managed to earned a net profit due to price adjustment and increased efficiency in operation.

(v) Extra-Ordinary gain or loss:

During the year, there was no realized extra-ordinary gain or loss made by the company. An amount of Tk. (70.38) million has been shown as Fair Value Surplus/(Deficit) of Investments 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 to comply with the latest requirement of International Accounting Standards (IASs) / International Financial Reporting Standards (IFRSs). Details are given in Note 20 of the Annual Report.

(vi) Related party transactions:

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

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

There was no right issue offered during the year.

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

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

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

There was significant variance between quarterly performance (i.e., up to 3rd quarter, EPS was Tk. 1.44 & annually it has reached Tk. 2.07) and annual financial statements. This is due to increase of operational efficiency as well as cost minimization.

(x) Remuneration to directors including independent directors:

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

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

(xi) The financial statements prepared by the management of the 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 (IASs) & International Financial Reporting Standards (IFRSs), 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 was no such situation raised to protect the interest of minority shareholders.
- (xvii) There are no significant doubts upon the issuer company's ability to continue as a going concern.
- (xviii) Deviation from the last year's operating results:**

During the year turnover has decreased. But due to adjustments in price, more efficient handling of raw material purchase, and an increase in production efficiency, there is no significant deviation in operating results.

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

“Figure in thousand Taka”

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Operational Data:						
Revenue	1,712,670	1,922,168	1,642,772	2,031,947	2,751,780	3,844,681
Gross Profit	197,054	209,731	195,808	191,521	219,627	297,878
Operating Profit/(Loss)	96,071	102,415	4,470	(20,800)	(53,525)	31,319
Net Profit before Tax	38,406	33,931	27,037	9,278	123,814	66,858
Net Profit/(Loss) after Tax	11,811	9,660	8,920	(13,229)	84,843	17,041
Earnings Per Share (EPS)	2.07	1.69	1.56	(2.32)	14.88	2.99
Dividend Per Share	2.00	2.00	2.00	2.00	2.00	2.00
Financial Data:						
Total Assets	1,682,084	1,872,183	1,758,502	1,545,510	1,779,947	1,693,029
Property, Plant and Equipment-Gross	710,997	705,057	691,866	684,643	678,306	659,967
Property, Plant and Equipment-Net	88,988	103,205	113,078	131,305	155,017	171,963
Gross Working Capital	1,255,937	1,353,620	1,372,968	1,185,580	1,449,240	1,320,330
Net Working Capital	325,371	306,141	295,060	302,479	344,476	279,368
Working Capital Loan	744,293	762,783	768,871	712,861	794,270	733,884
Share Capital	57,024	57,024	57,024	57,024	57,024	57,024
Share Premium	209,088	209,088	209,088	209,088	209,088	209,088
Reserve and Surplus	184,853	184,447	186,192	192,816	225,931	152,494
Share Holders Equity	708,811	778,783	652,183	619,359	622,483	562,052
Long Term Loan	2,363	2,975	22,500	52,500	82,500	120,000

- (xx) Dividend:**

Board of Directors has recommended Cash Dividend of Tk. 2.00 per Share of Tk. 10.00 each for the year 2018-19. 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 13th November 2019 at the close of office.

- (xxi) Interim Dividend:**

No Bonus share or stock dividend has been or shall be declared by Board of Directors for interim period.

(xxii) Board meetings:

During the year 11 (Eleven) Board Meetings were held. The attendance record of the Directors are as follows:

<i>Name of Directors</i>	<i>Meeting attended</i>
Mr. Zafar Ahmed	11
Mr. Zahur Ahmed PhD	11
Mr. Shahriar Ahmed	11
Mr. Ashim Kumar Barua	11
Mr. Kazi Faruq Kader	11

(xxiii) The pattern of shareholding:

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

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

- (i) I, Zafar Ahmed and Mr. Ashim Kumar Barua are retiring from the Board in terms of the Articles of Association of the Company and being eligible, offer ourselves for re-election. The detailed work profiles of Mr. Ashim Kumar Barua and I are given below:

Mr. Zafar Ahmed

- a. I am a Post Graduate from Dhaka University in Economics. I obtained training in Food & Drug Administration from the USA. I am one of the Sponsor Directors of the Company and is working in this sector since 1979. I am now acting as the Chairman of the Company.
- b. Since my joining in this sector, I have gathered vast knowledge in this sector and is one of the experts in the Frozen Foods sector of Bangladesh.
- c. I am also holding the Directorship of (i) Apex Spinning & Knitting Mills Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited, (v) Apex Fashion Wear Limited and (vi) Matex Bangladesh Limited.
- d. I am not a member of any committee of the board.

Mr. Ashim Kumar Barua

- a. Mr. Ashim Kumar Barua is a Post Graduate from Dhaka University. He joined this Company in 1982, and since then he is working in this sector. During his long tenure with the Company, Mr. Ashim Kumar Barua gathered vast knowledge about this sector. Mr. Ashim Kumar Barua is now acting as the Director of the Company.
- b. Since his joining in this sector, he has gathered sufficient knowledge to run the Company.
- c. He is not holding the Directorship of any other Company.
- d. He is one of the members of the Audit Committee.

- (ii) **Mr. Kazi Faruq Kader** has been re-appointed as independent Director for the next term as per BSEC Corporate Governance Guidelines.

The details work profiles of Mr. Kazi Faruq Kader are given below:

Mr. Kazi Faruq Kader

- a. Mr. Kader is a Graduate from Dhaka University. He was a Member of Parliament from 1988 to 1990 and 2008 to 2013 and during the tenure from 1988 to 1990 he was a Member of the Standing Committee for Commerce and also appointed as Director and Chairman of Sonali Bank as well as Sadharan Bima Corporation. During the tenure from 2008 to 2013 he was a Member of the Standing Committee for Education.
- b. Mr. Kader is the Independent Director of the Company and has sound knowledge in this sector.
- c. Mr. Kader is also holding the Independent Directorship of Apex Spinning & Knitting Mills Limited.
- d. Presently, Mr. Kader is the Chairman of the Audit Committee and Nomination & Remuneration Committee.

(xxv) Management Discussion & Analysis Signed by MD:

The management discussion and analysis signed by Managing Director representing details analysis of the company's position and operation in attached in the annual report as "Managing Director's statement".

(xxvi) Declaration signed by MD and CFO:

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

(xxvii) Corporate Governance Compliance Report:

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

(xxviii) 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 an Auditors of the Company for the year 2019-20.

(xxix) Professional:

As per order of the Bangladesh Securities & Exchange Commission, M/s. Malek Siddiqui Wali, Chartered Accountants., being eligible offer themselves for appointment as a professional for certification of Compliance Corporate Governance Code of the Company for the year 2019-2020.

Dhaka
20th October 2019

On behalf of the Board

Sd/-
Zafar Ahmed
Chairman

পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৯ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত।

পরিচালনা পর্ষদের প্রতিবেদন প্রনয়নের ক্ষেত্রে কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা ও বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ তারিখ- জুন ৩, ২০১৮ অনুসরণ করা হয়েছে।

১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনা:

২০১৯-২০২০ সালে মৎস্য শিল্পে অনিশ্চয়তা একক বৃহত্তম চ্যালেঞ্জ হিসাবে থাকবে, মার্কিন যুক্তরাষ্ট্র-চীনের বানিজ্য আলোচনায় অস্থিতিশীলতা বৈশ্বিক অর্থনীতি এবং ব্রেজিল্ট এর অপ্রত্যাশিত দৃষ্টিভঙ্গি যথাযথ ভাবে দৃশ্যমান হয়েছে। যদিও অনিশ্চয়তা নতুন সুযোগ সৃষ্টি করে, ভবিষ্যতের ব্যবসায়িক পরিকল্পনা এবং বিনিয়োগের জন্য প্রত্যাশিত বাজার পরিবেশ তৈরী করা কোম্পানীর জন্য চ্যালেঞ্জিং হতে পারে।

বাংলাদেশের জিডিপিতে কৃষি ক্ষেত্র ১৪.২ শতাংশ অবদান রাখে, কর্মজীবী জনবলের ৪৭ শতাংশ এই খাতে নিয়োজিত এর সাথে ১৭ মিলিয়ন মানুষ (১.৪ মিলিয়ন মহিলা মানুষ) মৎস্য খাতের উপর নির্ভরশীল তারা মাছ চাষ, মাছ ধরা, মাছ আনা নেওয়া এবং মাছ প্রক্রিয়াজাত করে জীবিকা নির্বাহ করছে। গত কয়েক দশক ধরে মৎস্য খাতকে অনুসরণ করে কৃষিখাত উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করেছে। শিল্প কারখানার হিসাব অনুযায়ী ২০২০-২০২১ সালে মৎস্য উৎপাদন ৫.০২ মিলিয়ন মেট্রিক টনে উপনীত হবে। বর্তমানে মূল চ্যালেঞ্জ হলো বিশ্ব অর্থনৈতিক দৃষ্টিভঙ্গি মোকাবেলা করা।

২. খাতওয়ারী অথবা পণ্য ভিত্তিক ফলাফল:

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

৩. ঝুঁকি ও উদ্ভিগ্নতা সমূহ:

জলবায়ু পরিবর্তনের প্রভাবে বর্তমানে চিংড়ি চাষ ঝুঁকিপূর্ণ হয়ে উঠেছে। চিংড়ি চাষের গুণগতমান নির্ভর করে পানি এবং জলবায়ুর গুণগতমানের উপর। এটি অস্থিতিশীল বাজার, জলবায়ু পরিবর্তনশীলতা এবং উৎপাদন ঝুঁকি সহ বিভিন্ন ঝুঁকি এবং অনিশ্চয়তার সাথে সম্পর্কিত।

জলজ গবেষণায় বিভিন্ন কৃষিকাজের মূল্যায়ণ ও নির্বাচনের প্রভাব, চিংড়ি চাষের সাথে সম্পর্কিত ঝুঁকি উপলব্ধি এবং ঝুঁকি প্রশমিত করার দক্ষতার প্রতি কৃষকদের আস্থা সম্পর্কে খুব কম মনোযোগ দেওয়া হয়েছে।

চিংড়ির রোগ, দাম এবং মানসম্পন্ন চিংড়ি পোনার প্রাপ্যতা, বিদেশের বাজারে চিংড়ির ভবিষ্যতের চাহিদা সম্পর্কে অনিশ্চয়তা ঝুঁকির সবচেয়ে গুরুত্বপূর্ণ উৎস হিসাবে বিবেচিত। পক্ষান্তরে, রোগ প্রতিরোধ, সময়মত চিংড়ি পোনা সরবরাহ এবং খামার পরিচালনার প্রশিক্ষণ ঝুঁকি এবং ঝুঁকি ব্যবস্থাপনার মধ্যে ভারসাম্য বজায় রাখার জন্য একটি ভাল লক্ষণ।

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

ক) বিক্রিত পণ্যের ব্যয়:

এই বৎসর বিক্রিত পণ্যের ব্যয় ছিল ১,৫১৬ মিলিয়ন টাকা যা গত বৎসর ছিল ১,৭১২ মিলিয়ন টাকা। এর কারণ মোট বিক্রয় হ্রাস পেয়েছে সাথে গড়ে কেজি প্রতি উৎপাদন ব্যয় ৪২ টাকা হারে বৃদ্ধি পেয়েছে। চলতি বৎসর ১,৮৩৫,৪৩৬ কেজি চিংড়ি উৎপাদন হয়েছে যা গত বৎসর ছিল ২,১৮৬,১৯২ কেজি। চলতি বৎসরে উৎপাদন ক্ষমতার ২৫.৪৯ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় কাঁচামাল ক্রয়ের জন্য ১৮৩.৫২ মিলিয়ন টাকা কম খরচ হয়েছে। বিক্রয় কমে যাওয়ার জন্য এ বছর কম কাঁচামাল ক্রয় করা হয়েছে।

খ) মোট মুনাফা:

৩০ শে জুন ২০১৯ সমাপ্ত অর্থ বৎসরে কোম্পানী মোট বিক্রয় করেছে ১,৭১৩ মিলিয়ন টাকা। গত বৎসর বিক্রয় ছিল ১,৯২২ মিলিয়ন টাকা। গত বৎসরের তুলনায় বিক্রয় ১০.৯০ শতাংশ হ্রাস পেয়েছে। এ বৎসর মোট মুনাফা অর্জিত হয়েছে ১৯৭.০৫ মিলিয়ন টাকা যা গত বৎসর ছিল ২০৯.৭৩ মিলিয়ন টাকা। বিক্রয় যথেষ্ট পরিমাণে কমে যাওয়া সত্ত্বেও, মোট মুনাফা সামান্য হ্রাস পেয়েছে।

গ) নীট মুনাফা:

এ বৎসর কর পরবর্তী নীট মুনাফা হয়েছে ১১.৮১ মিলিয়ন টাকা এবং গত বৎসর কর পরবর্তী নীট মুনাফা ছিল ৯.৬৬ মিলিয়ন টাকা। এ বছর, কোম্পানী নীট মুনাফার ধারাবাহিকতা মূলত দক্ষ পরিচালনার মাধ্যমেই অর্জন সম্ভব হয়েছে।

৫. অস্বাভাবিক লাভ বা ক্ষতি:

এ বৎসর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই। বিনিয়োগের সুষ্ঠু মূল্যায়নের সত্ত্বেও ৭০.৩৮ মিলিয়ন টাকা ঘাটতি হয়েছে যাহা সমন্বিত আয় বিবরণীতে দেখানো হয়েছে, যাহা এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এবং এপেক্স উইভিং এন্ড ফিনিশিং মিলস্ লিমিটেড এর শেয়ারে বিনিয়োগের সমাপনী মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস্ (আই.এ.এস)/ ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (আই.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে। বার্ষিক প্রতিবেদনে ২০ নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে।

৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহ:

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

৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহার:

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 পার্থক্য:

ত্রৈমাসিক আর্থিক অবস্থার বিবরণী এবং বার্ষিক আর্থিক বিবরণী মধ্যে উল্লেখযোগ্য কোন পার্থক্য নেই (অর্থাৎ তৃতীয় কোয়ার্টার পর্যন্ত আর্থিক প্রতিবেদনে শেয়ার প্রতি আয় ছিল ১.৪৪ টাকা কিন্তু বাৎসরিক ইহা হয়েছে ২.০৭ টাকা)। এটা হয়েছে মূলত পরিচালনায় দক্ষতা বৃদ্ধির পাশাপাশি ব্যয় হ্রাসকরণের ফলে।

১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক:

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপ:-

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

১১. কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর আর্থিক অবস্থা, কার্যক্রমের ফলাফল, নগদ প্রবাহ, মূলধনের পরিবর্তন সঠিক ভাবে উপস্থাপন করা হয়েছে।**১২. কোম্পানীর হিসাব বহি সমূহ যথাযথ ভাবে সংরক্ষণ করা হয়েছে।**

১৩. আর্থিক বিবরণী প্রস্তুতিতে যথোপযুক্ত হিসাবনীতি সমূহ ধারাবাহিক ভাবে প্রয়োগ করা হয়েছে এবং হিসাবগত পরিমাপক সমূহ যুক্তিযুক্ত ও বিচক্ষণ সিদ্ধান্তের উপর প্রতিষ্ঠিত।
১৪. ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ডস্ (আই.এ.এস) এবং ইন্টারন্যাশনাল ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (আই.এফ.আর.এস) যাহা বাংলাদেশে প্রযোজ্য তাহা অনুসরণ করে আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং কোথাও কোন ব্যত্যয় থাকলে তাহা যথাযথ ভাবে প্রকাশ করা হয়েছে।
১৫. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুসংহত ও কার্যকর ভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।
১৬. সংখ্যালঘু শেয়ারহোল্ডারদের স্বার্থ রক্ষার জন্য এ ধরনের কোন পরিস্থিতি উত্থাপিত হয়নি।
১৭. কোম্পানীর চলমান অস্তিত্বের সামর্থ্যের ক্ষেত্রে কোনরূপ তাৎপর্যপূর্ণ সন্দেহের অবকাশ নাই।
১৮. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধান:

চলতি বৎসরে বিক্রয় হ্রাস পেয়েছে কিন্তু মূল্য সমন্বয়, দক্ষতার সহিত কাঁচামাল ক্রয় এবং উৎপাদনে দক্ষতা বৃদ্ধির ফলে পরিচালনগত ফলাফলে কোন উল্লেখযোগ্য ব্যবধান হয় নি।

১৯. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্ত:

বিবরণ	“সংখ্যা হাজার টাকায়”					
	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬	২০১৪-১৫	২০১৩-১৪
পরিচালন তথ্য:						
বিক্রয়	১,৭১২,৬৭০	১,৯২২,১৬৮	১,৬৪২,৭৭২	২,০৩১,৯৪৭	২,৭৫১,৭৮০	৩,৮৪৪,৬৮১
মোট মুনাফা	১৯৭,০৫৪	২০৯,৭৩১	১৯৫,৮০৮	১৯১,৫২১	২১৯,৬২৭	২৯৭,৮৭৮
পরিচালন মুনাফা/লোকসান	৯৬,০৭১	১০২,৪১৫	৪,৪৭০	(২০,৮০০)	(৫৩,৫২৫)	৩১,৩১৯
করপূর্ব মুনাফা	৩৮,৪০৬	৩৩,৯৩১	২৭,০৩৭	৯,২৭৮	১২৩,৮১৪	৬৬,৮৫৮
করপরবর্তী মুনাফা/লোকসান	১১,৮১১	৯,৬৬০	৮,৯২০	(১৩,২২৯)	৮৪,৮৪৩	১৭,০৪১
শেয়ার প্রতি আয়	২.০৭	১.৬৯	১.৫৬	(২.৩২)	১.৪৮	২.৯৯
প্রতি শেয়ারের জন্য লভ্যাংশ	২.০০	২.০০	২.০০	২.০০	২.০০	২.০০
আর্থিক তথ্য:						
মোট সম্পদ	১,৬৮২,০৮৪	১,৮৭২,১৮৩	১,৭৫৮,৫০২	১,৫৪৫,৫১০	১,৭৭৯,৯৪৭	১,৬৯৩,০২৯
সমপত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	৭১০,৯৯৭	৭০৫,০৫৭	৬৯১,৮৬৬	৬৮৪,৬৪৩	৬৭৮,৩০৬	৬৫৯,৯৬৭
সমপত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	৮৮,৯৮৮	১০৩,২০৫	১১৩,০৭৮	১৩১,৩০৫	১৫৫,০১৭	১৭১,৯৬৩
মোট চলতি মূলধন	১,২৫৫,৯৩৭	১,৩৫৩,৬২০	১,৩৭২,৯৬৮	১,১৮৫,৫৮০	১,৪৪৯,২৪০	১,৩২০,৩৩০
নীট চলতি মূলধন	৩২৫,৩৭১	৩০৬,১৪১	২৯৫,০৬০	৩০২,৪৭৯	৩৪৪,৪৭৬	২৭৯,৩৬৮
চলতি মূলধন ঋণ	৭৪৪,২৯৩	৭৬২,৭৮৩	৭৬৮,৮৭১	৭১২,৮৬১	৭৯৪,২৭০	৭৩৩,৮৮৪
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
সংরক্ষন এবং উদ্বৃত্ত	১৮৪,৮৫৩	১৮৪,৪৪৭	১৮৬,১৯২	১৯২,৮১৬	২২৫,৯৩১	১৫২,৪৯৪
শেয়ার মালিকদের ইকুইটি	৭০৮,৮১১	৭৭৮,৭৮৩	৬৫২,১৮৩	৬১৯,৩৫৯	৬২২,৪৮৩	৫৬২,০৫২
দীর্ঘ মেয়াদী ঋণ	২,৩৬৩	২,৯৭৫	২২,৫০০	৫২,৫০০	৮২,৫০০	১২০,০০০

২০. লভ্যাংশ:

কোম্পানীর পরিচালকমন্ডলী ২০১৮-১৯ হিসাব বৎসরে প্রতি ১০/- (দশ) টাকার শেয়ারের জন্য ২.০০ টাকা হারে নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। এই বার্ষিক সাধারণ সভায় আপনাদের অনুমোদন সাপেক্ষে সেই সমস্ত শেয়ারহোল্ডারদের লভ্যাংশ প্রদান করা হবে যাদের নাম কোম্পানীর সদস্য বহিতে অথবা ডিপোজিটরিতে নভেম্বর ১৩, ২০১৯ ইং তারিখে কার্য সমাপ্ত সময়ে অর্ন্তভুক্ত থাকবে।

২১. অন্তর্বর্তীকালীন লভ্যাংশ:

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

২২. বোর্ডের সভা:

এ বৎসর বোর্ডের ১১ (এগার) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হলঃ

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	১১
জনাব জহুর আহমেদ পিএইচডি	১১
জনাব শাহরিয়ার আহমেদ	১১
জনাব অসীম কুমার বড়ুয়া	১১
জনাব কাজী ফারুক কাদের	১১

২৩. শেয়ারহোল্ডিংস সংক্রান্ত বিবরণ:

নাম অনুসারে বিবরণ শেয়ার সংখ্যা

ক) প্যারেন্ট/ সাবসিডিয়ারী/ এসোসিয়েটেড কোম্পানী এবং অন্যান্য সম্পর্কিত পার্টিসমূহ:

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 ও কমপ্লায়েন্স প্রধান:

জনাব জাফর আহমেদ	পরিচালক	১,৩২০,৫৩০
জনাব জহুর আহমেদ পিএইচডি	পরিচালক	১৬০,৭৪০
জনাব শাহরিয়ার আহমেদ	পরিচালক	৫৬৩,৪৩০
জনাব অসীম কুমার বড়ুয়া	পরিচালক	৭,৫০০
জনাব কাজী ফারুক কাদের	স্বতন্ত্র পরিচালক	-
জনাবা শিউলী রানী দে	প্রধান অর্থ কর্মকর্তা	-
জনাব আশীষ কুমার পাল এফসিএ	অভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স প্রধান	-
জনাব কামরুল ইসলাম	সহকারী কোম্পানী সচিব	-

গ) উর্ধ্বতন করপোরেট নির্বাহীগণ:

জনাব মমিন উদ্দিন আহমেদ খান- নির্বাহী পরিচালক	২,৪৫০
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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

২৪. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগ:

(১) আমি জাফর আহমেদ এবং জনাব অসীম কুমার বড়ুয়া কোম্পানীর সংঘবিধি মোতাবেক বোর্ড থেকে পদত্যাগ করছি এবং যোগ্য বিধায় পুনঃনির্বাচনের জন্য ইচ্ছা প্রকাশ করছি। আমার এবং জনাব অসীম কুমার বড়ুয়া এর বিস্তারিত বিবরণ নিম্নরূপঃ

জাফর আহমেদ:

ক) আমি জাফর আহমেদ ঢাকা বিশ্ববিদ্যালয় থেকে অর্থনীতিতে স্নাতোকত্তর ডিগ্রী নিয়েছি। আমি যুক্তরাষ্ট্রের ফুড এন্ড ড্রাগ এডমিনিস্ট্রেশন থেকে ট্রেনিং নিয়েছি। আমি এই কোম্পানীর একজন উদ্যোক্তা পরিচালক এবং আমি এই শিল্প খাতে ১৯৭৯ সন থেকে কাজ করে আসিতেছি। আমি বর্তমানে এই কোম্পানীর চেয়ারম্যান।

খ) এই শিল্পে যোগদান করা থেকে এ পর্যন্ত এ শিল্প খাতে গভীর জ্ঞান অর্জন করেছি এবং আমি বাংলাদেশের একজন হিমায়িত খাদ্য বিশেষজ্ঞ।

গ) আমি এই কোম্পানী ছাড়াও (১) এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড, (২) এপেক্স ল্যানজারী লিমিটেড, (৩) এপেক্স ইয়ার্ন ডাইং লিমিটেড, (৪) এপেক্স টেক্সটাইল প্রিন্টিং মিলস্ লিমিটেড (৫) এপেক্স ফ্যাশন ওয়্যার লিমিটেড ও (৬) ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছি।

ঘ) বর্তমানে আমি বোর্ডের কোন কমিটির সদস্য নই।

জনাব অসীম কুমার বড়ুয়া:

ক) জনাব অসীম কুমার বড়ুয়া, ঢাকা বিশ্ববিদ্যালয় থেকে স্নাতোকত্তর ডিগ্রী অর্জন করেন। ১৯৮২ সালে তিনি এই কোম্পানীতে যোগদান করেন। তিনি ১৯৮২ সাল থেকে এই শিল্প খাতে কাজ করিতেছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর পরিচালক হিসাবে কাজ করছেন।

খ) এই শিল্পে যোগদান করা থেকে এ পর্যন্ত এ শিল্প খাতে তিনি কোম্পানী পরিচালনার জন্য গভীর জ্ঞান অর্জন করেছেন।

গ) তিনি অন্য কোন কোম্পানীর পরিচালক পদে নিযুক্ত নেই।

ঘ) বর্তমানে জনাব অসীম কুমার বড়ুয়া অডিট কমিটির একজন সদস্য।

(২) জনাব কাজী ফারুক কাদের বিএসইসি কর্পোরেট গভর্নেন্স কোড অনুসারে স্বতন্ত্র পরিচালক হিসাবে নিয়োগ প্রাপ্ত হয়েছেন।

জনাব কাজী ফারুক কাদের এর বিস্তারিত বিবরণ নিম্নরূপ:

ক) জনাব কাদের, ঢাকা বিশ্ববিদ্যালয় হইতে স্নাতক ডিগ্রী অর্জন করেন। তিনি ১৯৮৮ থেকে ১৯৯০ এবং ২০০৮ থেকে ২০১৩ সন পর্যন্ত সংসদ সদস্য ছিলেন এবং ১৯৮৮ থেকে ১৯৯০ মেয়াদে তিনি বানিজ্য মন্ত্রণালয়ের স্ট্যাডিং কমিটির সদস্য ছিলেন এবং তিনি সোনালী ব্যাংক ও সাধারণ বীমা কর্পোরেশনের পরিচালক ও চেয়ারম্যান হিসাবেও নিয়োগ প্রাপ্ত হয়েছিলেন। তিনি ২০০৮ থেকে ২০১৩ মেয়াদে শিক্ষা মন্ত্রণালয়ের স্ট্যাডিং কমিটির সদস্য ছিলেন।

খ) জনাব কাদের এই কোম্পানীর একজন স্বতন্ত্র পরিচালক এবং এই শিল্প খাত সম্পর্কে গভীর জ্ঞানের অধিকারী।

গ) জনাব কাদের এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেডের ও স্বতন্ত্র পরিচালক পদে নিযুক্ত আছেন।

ঘ) বর্তমানে জনাব কাদের অডিট কমিটি এবং নমিনেশন ও রিমুনারেশন কমিটির চেয়ারম্যান।

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

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

২৬. এমডি এবং সিএফও কর্তৃক স্বাক্ষরিত বিবৃতি:

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

২৭. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদন:

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

২৮. নিরীক্ষক:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী বর্তমান নিরীক্ষক, মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ পর পর তিন বৎসর নিরীক্ষা কার্য সম্পাদন করেছেন বিধায় অবসর গ্রহণ করছেন। যোগ্য বিধায় ২০১৯-২০২০ হিসাব বৎসরের জন্য মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ তাহাদেরকে নিরীক্ষক নিয়োগের জন্য প্রস্তাব করেছেন।

২৯. প্রফেশনাল:

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী, মেসার্স মালেক সিদ্দিকী ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ যোগ্য বিধায় ২০১৯-২০২০ হিসাব বৎসরের কর্পোরেট গভর্নেন্স কমপ্লায়েন্স সনদ প্রদানের জন্য প্রফেশনাল হিসাবে, তাহাদেরকে নিয়োগের জন্য প্রস্তাব করেছেন।

ঢাকা

২০ অক্টোবর, ২০১৯

বোর্ডের পক্ষে

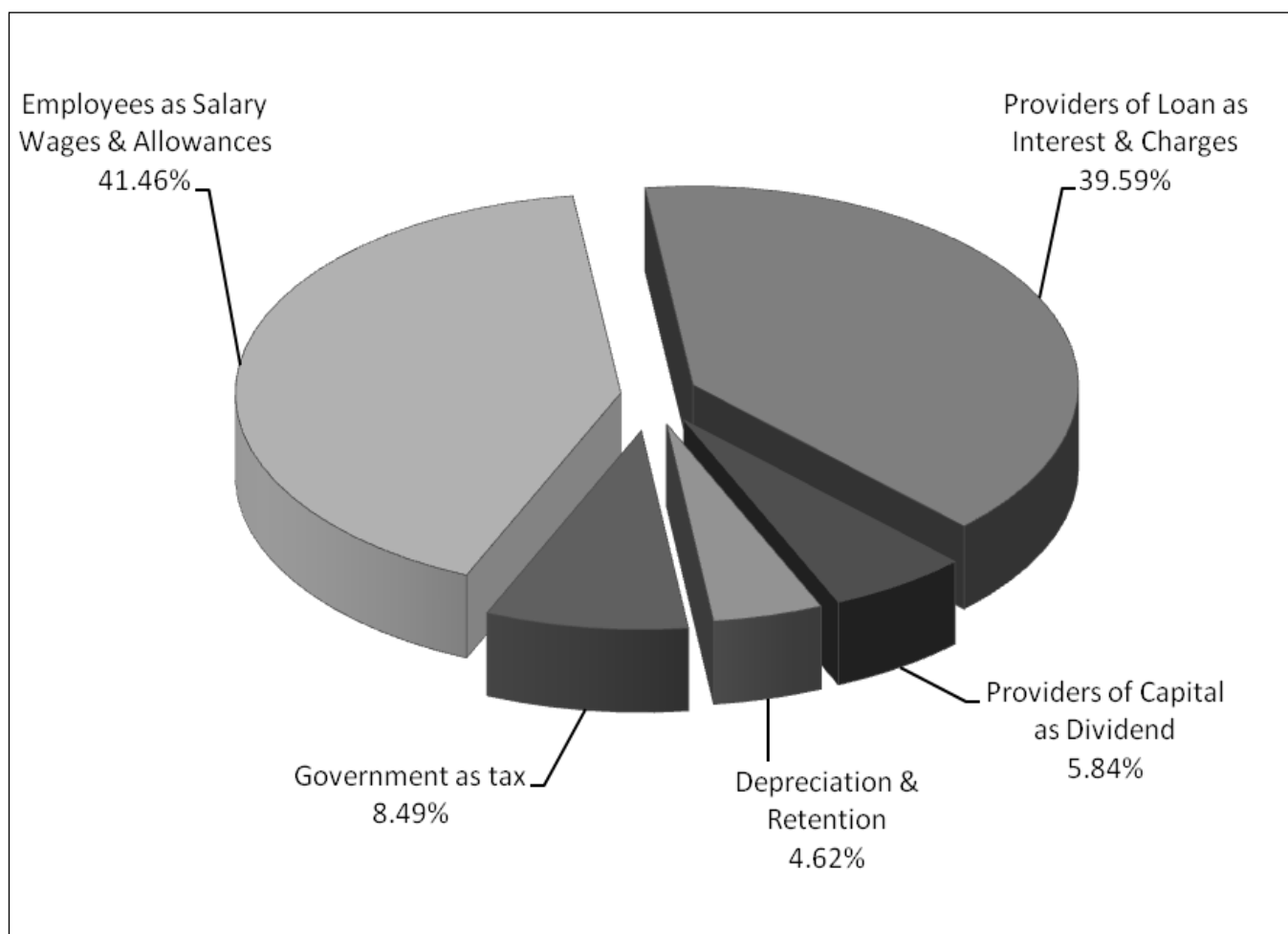
স্বা/-

জাফর আহমেদ

সভাপতি

VALUE ADDED STATEMENT

PARTICULARS	2018-19	%	2017-18	%
VALUE ADDED				
Revenue	1,712,669,526		1,922,167,738	
Less: Bought in Materials & Services	1,517,397,831		1,714,078,721	
	195,271,695		208,089,017	
APPLICATIONS				
Government as tax	16,580,622	8.49	19,091,632	9.17
Employees as Salary Wages & Allowances	80,963,806	41.46	84,396,844	40.56
Providers of Loan as Interest & Charges	77,313,727	39.59	85,778,333	41.22
Providers of Capital as Dividend	11,404,800	5.84	11,404,800	5.48
Depreciation & Retention	9,008,740	4.62	7,417,408	3.57
	195,271,695	100.00	208,089,017	100.00



Independent Auditors' Report to the Shareholders of APEX FOODS LIMITED

Opinion

We have audited the financial statements of **Apex Foods Limited** which comprise the Statement of financial position as at June 30, 2019, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies act 1994, the Securities and Exchange Rules 1987 and other applicable law and regulations.

Basis for Opinion

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

Key Audit Matters

Risk	Our response
Revenue recognition	
<p>At the year ended, the company's reported total revenue of Tk. 1,712,669,526/-</p> <p>Time of revenue recognition is matter. Considering the other inherent risk of the existence and the accuracy on revenue recognition, the revenue has been selected as key audit matter.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Policy of revenue recognition; • Issuance of VAT challan; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
Please see the note 30 in this financial statement.	
Valuation of inventories	
<p>The balance of inventory of the Company at the year-end was Tk. 889,149,386/- held in the company's Cold storage.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management's apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;

Risk	Our response
	<ul style="list-style-type: none"> • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
Please see the note 11 in this financial statement.	
Measurement and recognition of deferred tax	
<p>The balance of reported deferred tax liability of the company was Tk. 41,015,326/- as on June 30, 2019.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAs 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
Please see the note 21 in this financial statement.	

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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

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

Dated, Dhaka
October 20, 2019

Sd/-
Md. Waiullah
Chartered Accountants

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2019

	NOTES	30.06.2019	30.06.2018 Restated	Value in Taka 30.06.2017 Restated
ASSETS				
Non-Current Assets:		426,147,242	518,562,581	385,533,816
Property, Plant and Equipment	8	88,988,280	103,204,859	113,077,574
Investments	9	331,744,610	409,943,370	267,337,626
Security Deposits	10	5,414,352	5,414,352	5,118,616
Current Assets:		1,255,936,832	1,353,620,387	1,372,967,720
Inventories	11	889,149,386	880,408,407	879,429,665
Trade Receivables	12	-	24,577,415	62,374,483
Advance, Deposits & Prepayments	13	48,060,310	45,804,763	39,858,786
Other Receivables	14	122,397,364	183,263,253	161,028,170
Investment in Financial Assets	15	187,990,415	212,153,262	224,137,880
Cash & Cash Equivalents	16	8,339,358	7,413,287	6,138,736
TOTAL ASSETS		1,682,084,074	1,872,182,968	1,758,501,536
EQUITY AND LIABILITIES				
Shareholders' Equity:		708,810,544	778,783,182	652,182,889
Share Capital	17	57,024,000	57,024,000	57,024,000
Share Premium	18	209,088,000	209,088,000	209,088,000
Reserve and Surplus	19	184,853,079	184,446,833	186,191,710
Fair Valuation Surplus of Investments	20	257,845,465	328,224,349	199,879,179
Non-Current Liabilities:		42,707,384	45,920,513	28,411,421
Deferred Tax Liabilities	21	41,015,326	43,539,516	28,411,421
Long Term Loan	22	1,692,058	2,380,997	-
Current Liabilities:		930,566,146	1,047,479,273	1,077,907,226
Working Capital Loan (Secured)	23	744,293,057	762,783,215	768,870,623
Long Term Loan-Current Maturity	24	670,848	593,836	22,500,000
Short Term Loan	25	69,610,121	145,343,446	96,450,532
Trade Payables	26	31,650,971	64,708,622	104,521,999
Other Payables	27	28,479,206	22,923,522	39,356,388
Current Tax Liability	28	44,702,547	42,181,245	38,760,024
Other Liabilities	29	11,159,396	8,945,387	7,447,660
Total Liabilities		973,273,530	1,093,399,786	1,106,318,647
TOTAL EQUITY AND LIABILITIES		1,682,084,074	1,872,182,968	1,758,501,536
Net Asset Value (NAV) Per Share	42	124.30	136.57	114.37

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/-
Malek Siddiqui Wali
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2019**

		Value in Taka	
	NOTES	2018-19	2017-18
REVENUE	30	1,712,669,526	1,922,167,738
Cost of goods sold	31	(1,515,615,626)	(1,712,436,974)
GROSS PROFIT		197,053,900	209,730,764
Other operating income / (loss)	35	73	680
Administrative & selling overhead	36	(100,982,602)	(107,315,995)
OPERATING PROFIT/(LOSS)		96,071,371	102,415,449
Finance income	37	21,568,662	19,079,429
Financial expenses	38	(77,313,727)	(85,778,333)
PROFIT BEFORE PPF & WF		40,326,306	35,716,545
Provision for contribution to PPF & WF	39	(1,920,300)	(1,785,827)
PROFIT BEFORE TAX		38,406,006	33,930,718
Tax expenses:	40	(26,594,959)	(24,270,795)
Current tax		(21,299,272)	(23,403,275)
Deferred tax (expenses) / income		(5,295,687)	(867,520)
NET PROFIT / (LOSS) AFTER TAX		11,811,047	9,659,923
Other comprehensive income:			
Fair valuation surplus/(deficit) of investments	20	(70,378,884)	128,345,170
Fair valuation surplus/(deficit) during the year		(78,198,760)	142,605,744
Deferred tax income/(expense) on share valuation surplus		7,819,876	(14,260,574)
TOTAL COMPREHENSIVE INCOME		(58,567,837)	138,005,093
Basic Earnings Per Share (EPS)	41	<u>2.07</u>	<u>1.69</u>

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/-
Malek Siddiqui Wali
Chartered Accountants

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

Particulars	Value in Taka						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2018	57,024,000	209,088,000	51,162,905	132,676,928	607,000	328,224,349	778,783,182
Net profit after tax of 2018-19	-	-	-	11,811,047	-	-	11,811,047
Final dividend for the year 2017-18	-	-	-	(11,404,800)	-	-	(11,404,800)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	(70,378,884)	(70,378,884)
As at 30th June 2019	57,024,000	209,088,000	51,162,905	133,083,174	607,000	257,845,465	708,810,544

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2018

Particulars	Value in Taka						
	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2017	57,024,000	209,088,000	51,162,905	138,560,789	607,000	199,879,179	656,321,873
Prior Year's adjustment (Note:45)	-	-	-	(4,138,984)	-	-	(4,138,984)
Restated Opening Balance	57,024,000	209,088,000	51,162,905	134,421,805	607,000	199,879,179	652,182,889
Net profit after tax of 2017-18	-	-	-	9,659,923	-	-	9,659,923
Final dividend for the year 2016-17	-	-	-	(11,404,800)	-	-	(11,404,800)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	128,345,170	128,345,170
As at 30th June 2018	57,024,000	209,088,000	51,162,905	132,676,928	607,000	328,224,349	778,783,182

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

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Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/-
Malek Siddiqui Wali
Chartered Accountants

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2019

	Value in Taka	
	2018-19	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from revenue	1,737,246,941	1,959,964,806
Bank Charges & Commission	(6,033,467)	(6,686,775)
Income tax paid	(18,309,559)	(24,595,103)
Payment for costs and expenses	(1,572,026,744)	(1,881,634,840)
Net cash generated from operating activities (a)	140,877,171	47,048,088
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(6,361,511)	(13,101,076)
Finance income	20,065,471	18,437,444
Investment from financial assets	24,162,847	11,984,618
Net cash generated from investing activities (b)	37,866,807	17,320,986
CASH FLOWS FROM FINANCING ACTIVITIES:		
Working capital loan received/(repaid)	(18,490,158)	(6,087,408)
Long term loan received/(repaid)	(611,927)	(19,525,167)
Short term loan received/(repaid)	(75,733,325)	48,892,914
Interest Paid	(73,791,779)	(76,468,469)
Dividend Paid	(9,190,791)	(9,907,073)
Net cash used in financing activities (c)	(177,817,980)	(63,095,203)
Net increase/(decrease) in cash and cash equivalents (a+b+c)	925,998	1,273,871
Cash and cash equivalents on opening	7,413,287	6,138,736
The effect of foreign exchange translation gain	73	680
	-----	-----
Cash and cash equivalents on closing	8,339,358	7,413,287
	-----	-----
Net operating cash flows per share (NOCFPS)	24.70	8.25

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 20, 2019

Sd/-
Malek Siddiqui Wali
Chartered Accountants

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flows per Share is Tk. 24.70 but it was Tk. 8.25 in 2017-18 which is mainly for decrease in trade receivables, decrease in payment for costs and expenses, decrease in other receivables and decrease in investment in financial assets. However, this scenario is changeable time to time depending on different issues.
- Please refer to Annexure-1 for reconciliation of cash flows from operating activities under direct method and indirect method as per requirement of BSEC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. The company and its operation:

1.01 Legal Form of the Enterprise:

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

1.02 Address of Registered Office and Factory:

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

1.03 Nature of Business Activities:

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

2. Basis of the preparation of the Financial Statements:

2.01 Accounting Convention and Basis:

These Financial Statements have been prepared under the Historical Cost Convention accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) 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.

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

To comply with ICAB guideline, we have changed the name BASs & BFRSs into IASs & IFRSs. The following IASs and IFRSs are applicable for the financial statements for the year under review:

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

2.03 Compliance with local laws:

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

2.04 Compliance with International Financial Reporting Standards (IFRSs):

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

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

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

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

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

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

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

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

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and sales proceeds. There was no disposal of any Property, Plant and Equipment during the year 2018-19.

3.02 Inventories:

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

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

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

3.04 Current and non-current assets and liabilities:

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

The company classified all other liabilities as non-current.

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

3.05 Taxation:

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

3.06 Income Tax:

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

3.07 Deferred Tax:

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

3.08 Trade Receivables:

There was no trade receivable as on 30.06.2019. The export bills receivables are stated at the original invoice value.

3.09 Payables and Accrued Expenses:

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

3.10 Earnings Per Share:

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

3.10(i) Basic Earnings:

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

3.10(ii) Weighted Average Number of Ordinary Shares Outstanding During The Year:

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

3.10(iii) Basic Earnings Per Share:

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

3.10(iv) Diluted Earnings Per Share:

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

3.11 Statement of Cash Flows:

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

3.12 Foreign Exchange:

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Statement of Financial Position date in accordance with IAS 21 “The Effects of Changes in Foreign Exchange Rates”. The Closing conversion rate of USD was Tk. 83.70.

3.13 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 IFRS 15 “Revenue from contracts with customers”.

3.14 Other Income Recognition:

Interest on time deposits has been accounted for on accrual basis.

3.15 Employee Benefit Obligations:

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

3.16 Contribution to PPF & WF:

This is being calculated at 5% of the net profit after charging such contribution provided as per provisions of the Bangladesh Labor Law, 2006 and Bangladesh Labor Rules, 2015 and is payable to workers' as defined in the said Act.

3.17 Risk and uncertainties for use of estimates in preparation of financial statements:

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

4. Financial Risk Management:

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

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

4.01 Credit risk:

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

The Trade Receivables are due from foreign customers for export. The balances from foreign customers are secured against firm contracts/letters of credit. Management assesses the credit quality of foreign customers, taking into account their financial position, past experience and other factors. As at the balance sheet date, there are no past due. Trade Receivable balances has subsequently been fully realized. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

4.02 Liquidity risk:

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

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

4.03 Market risk:

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

4.04 Price risk:

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

4.05 Interest rate risk:

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

4.06 Currency risk:

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

5. Capital risk Management:

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

6. Operating segments:

- These financial statements have been prepared on the basis of single reportable segment.
- All non-current assets of the Company as at 30th June 2019 are located in Bangladesh.

7. Others:**7.01 Comparative information:**

Comparative information has been disclosed in respect of the year 2017-18 for all numerical information of the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

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

7.02 Reporting currency and level of precision:

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

7.03 Reporting period:

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

7.04 Components of the Financial Statements:

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

- i) Statement of Financial Position as at 30th June, 2019.
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2019.
- iii) Statement of Changes in Equity for the year ended 30th June, 2019.
- iv) Statement of Cash Flows for the year ended 30th June, 2019 and
- v) Accounting policy and explanatory notes.

8. PROPERTY, PLANT AND EQUIPMENT: TK. 88,988,280

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

Charged to:

Factory Overhead	19,077,670
Administrative & selling overhead	<u>1,079,221</u>
	<u>20,156,891</u>

PROPERTY, PLANT AND EQUIPMENT FOR 2017-18

SL NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V. as at 30.06.18
		Balance as at 01.07.17	Addition during the year	Balance as at 30.06.18		Balance as at 01.07.17	For the year	Balance as at 30.06.18	
1	Land & Land Development	3,392,470	-	3,392,470	-	-	-	-	3,392,470
2	Factory Building	95,786,109	369,700	96,155,809	20	82,285,696	2,715,963	85,001,659	11,154,150
3	Plant & Machinery	507,820,141	11,548,315	519,368,456	20	424,933,364	17,998,432	442,931,796	76,436,660
4	Factory Equipments	37,127,183	342,730	37,469,913	20	31,432,382	1,184,883	32,617,265	4,852,648
5	Furniture & Fixtures	14,620,950	-	14,620,950	10	9,870,462	475,049	10,345,511	4,275,439
6	Office Equipments	15,884,131	926,860	16,810,991	20	13,702,580	554,194	14,256,774	2,554,217
7	Motor Vehicles	16,945,243	-	16,945,243	20	16,327,875	123,474	16,451,349	493,894
8	Crockerries	289,887	2,910	292,797	20	236,181	11,235	247,416	45,381
	Total	691,866,114	13,190,515	705,056,629	-	578,788,540	23,063,230	601,851,770	103,204,859

Charged to:

Factory Overhead	21,899,278
Administrative & selling overhead	<u>1,163,952</u>
	<u>23,063,230</u>

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

		<u>30.06.2019</u>	<u>30.06.2018</u>
9. INVESTMENTS: TK. 331,744,610			
In Shares:	Cost value		
Apex Spinning & Knitting Mills Limited (2,263,200 Shares of Tk. 10.00 each)	22,632,000	317,526,960	392,325,720
Apex Weaving & Finishing Mills Limited (2,000,000 Shares of Tk. 10.00 each)	20,000,000	11,600,000	15,000,000
Amam Sea Food Industries Limited (10,482 Shares of Tk. 100.00 each at par)	1,048,200	1,048,200	1,048,200
Central Depository Bangladesh Limited (571,181 Shares of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each)	1,569,450	1,569,450	1,569,450
	-----	-----	-----
	45,249,650	331,744,610	409,943,370
	=====	=====	=====

Market Price of Listed Companies Shares (As on 30.06.19)

Apex Spinning & Knitting Mills Ltd. (Last trade date 30.06.2019)	140.30	173.35
Apex Weaving & Finishing Mills Ltd. (Last trade date 26.06.2019)	5.80	7.50
Amam Sea Food Industries Ltd. (Last trade date 02.01.2011)	219	219

- Investments in shares of Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited have been valued at market price on 30.06.2019 as per IAS 39.
- As the shares of Amam Sea Food Industries Limited had not traded during the year under review and the last trade date was on 02.01.2011, the price has been shown at face value.
- Investments in Apex Weaving & Finishing Mills Ltd. is under litigation, the civil suit no.191 (F) of 2018 with the Honorable High Court Division.

10. SECURITY DEPOSITS: TK. 5,414,352

Security Deposits to Bangladesh Power Development Board	903,000	903,000
Security Deposits for Office Rent	405,000	405,000
Security Deposits for TNT & Mobile	8,900	8,900
Security Deposits to BGSL/ Karnaphuli Gas Distribution Co. Ltd.	4,097,452	3,801,716
Add: Addition for increase gas tariff	-	295,736
	4,097,452	4,097,452
	-----	-----
	5,414,352	5,414,352
	=====	=====

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

11. INVENTORIES: TK. 889,149,386

	Qty. in Kg.		
Shrimps (Finished Goods)	907,236	885,375,417	868,082,873
Packing Materials	-	2,174,471	9,123,810
Chemical & Ingredients	-	1,599,498	3,201,724
	-----	-----	-----
	907,236	889,149,386	880,408,407
	=====	=====	=====

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

	<u>30.06.2019</u>	<u>30.06.2018</u>
12. TRADE RECEIVABLES:		
Export Bills Receivable	-	<u>24,577,415</u>

The aging of trade receivables are given below:

<u>Age analysis</u>	<u>Taka</u>	<u>Taka</u>
0 to 30 days	-	24,577,415
31 days to 60 days	-	-
	<u>-</u>	<u>24,577,415</u>

- There was no trade receivable as on 30.06.2019.

13. ADVANCE, DEPOSITS AND PREPAYMENTS: TK. 48,060,310

Advance against expenses	872,798	490,299
Prepayments	4,242,566	3,955,795
Advance Income Tax 13.(a)	40,461,174	40,929,585
Bank Guarantee margin	429,084	429,084
L/C margin with Agrani Bank Limited	2,054,688	-
	<u>48,060,310</u>	<u>45,804,763</u>

13. (a) ADVANCE INCOME TAX: TK. 40,461,174

Opening Balance	40,929,585	36,316,536
Add: Paid during the year	18,309,559	24,595,103
	<u>59,239,144</u>	<u>60,911,639</u>
Less: Adjustment during the year	18,777,970	19,982,054
	<u>40,461,174</u>	<u>40,929,585</u>

- Advance against expenses are adjusted regularly and considered good.
- Prepayments and Advance Income Tax are made to statutory bodies and hence secured.
- L/C margin with Agrani Bank Limited against import of spare parts for Capital Machineries.
- No amount was due by the Directors and other officers of the Company or by associated undertaking.

	<u>30.06.2019</u>	<u>30.06.2018</u>
14. OTHER RECEIVABLES: TK. 122,397,364		
Insurance Claim Receivable	16,254,727	16,254,727
Cash Incentive Receivable	97,190,149	159,559,228
FDR's Interest Receivable	8,952,488	7,449,298
	-----	-----
	122,397,364	183,263,253
	=====	=====

- Insurance Claim was receivable from Insurance Company against deterioration of stock because of machinery break down. Appropriate claim has been lodged with the Insurance Company in 1997. The claim is under litigation and pending with the High Court Division.
- Cash incentive receivable represents the amount receivable from Bank against cash incentive. The amount will be received from the Bangladesh Bank through Agrani Bank Limited.
- The ageing of the Cash incentive receivable are maximum 06 (Six) months.
- FDR's interest receivable represents the provision of interest receivable on FDR's up to 30.06.2019.

15. INVESTMENT IN FINANCIAL ASSETS: TK. 187,990,415

FDRs with Dhaka Bank Ltd., Foreign Exchange Br., Dhaka	165,890,415	190,053,262
FDRs with Agrani Bank Ltd., Agrabad Corporate Br., Chattogram	22,100,000	22,100,000
	-----	-----
	187,990,415	212,153,262
	=====	=====

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

16. CASH AND CASH EQUIVALENTS: TK. 8,339,358

Cash in Hand:

Head Office	19,989	27,529
Factory Office	16,456	22,186
	36,445	49,715

Cash at Bank with:

Agrani Bank Ltd., ESA A/C, Agrabad Corporate Br., Chattogram	184,781	44,581
Agrani Bank Ltd., FCY A/C, Agrabad Corporate Br., Chattogram	3,794,698	91,093
Arab Bangladesh Bank Ltd., CD A/C, Principal Br., Dhaka	-	610,288
Eastern Bank Ltd., SND A/C, Principal Branch, Dhaka	29,560	30,438
The Hongkong & Shanghai Banking Corporation, CD A/C, Dhaka	761,863	855,014
The Hongkong & Shanghai Banking Corporation, CD A/C, Dhaka	3,525,407	5,732,158
Dhaka Bank Ltd., CD A/C, Foreign Exchange Br., Dhaka	6,604	-
	8,302,913	7,363,572
	8,339,358	7,413,287

- Cash in hand was physically counted and verified at the year ended as on 30.06.2019. All Bank balances were reconciled and confirmed by bank statements.
- Foreign currency Account balances in USD are given below which has converted in BDT. The Closing conversion rate of USD was Tk. 83.70 on 30.06.2019 as compared to Tk. 83.00 on 30.06.2018:

	<u>In USD</u>	<u>In USD</u>
Agrani Bank Ltd., FCY A/C, Agrabad Corporate Br., Chattogram	<u>45,336.89</u>	<u>1,097.50</u>

30.06.2019**30.06.2018****17. SHARE CAPITAL: TK. 57,024,000****Authorized Capital:**

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

Issued, Subscribed & Paid up Capital:

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

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

- There was no preference share issued by the Company.

Composition of Shareholdings (As on 30.06.2019):

Sponsors & Directors	38.96%	38.96%
Institutions	4.63%	13.12%
Public - Local	56.41%	47.92%
	100.00% =====	100.00% =====

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

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
2771	Less than & equal 500 Shares	396,534	6.95
810	501 to 5,000 Shares	1,196,503	20.99
52	5,001 to 10,000 Shares	357,757	6.27
22	10,001 to 20,000 Shares	319,443	5.60
5	20,001 to 30,000 Shares	131,404	2.30
3	30,001 to 40,000 Shares	120,000	2.10
2	40,001 to 50,000 Shares	84,309	1.48
1	50,001 to 100,000 Shares	64,000	1.12
2	100,001 to 200,000 Shares	325,490	5.71
3	Over 200,000 Shares	2,706,960	47.48
		5,702,400 =====	100.00 =====
		3,671 =====	

	<u>30.06.2019</u>	<u>30.06.2018</u>
18. SHARE PREMIUM: TK. 209,088,000		
	209,088,000	209,088,000
	=====	=====

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

19. RESERVE AND SURPLUS: TK. 184,853,079

- This represents the following:

Reserve for Re-investment	51,162,905	51,162,905
Retained Earnings	133,083,174	132,676,928
Capital Gain	607,000	607,000
	184,853,079	184,446,833
	=====	=====

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

20. FAIR VALUATION SURPLUS OF INVESTMENTS: TK. 257,845,465

Opening Balance	328,224,349	199,879,179
Adjustment for fair valuation surplus/(deficit) during the year	(78,198,760)	142,605,744
Less: Deferred Tax @10%	7,819,876	(14,260,574)
Fair valuation surplus/(deficit) during the year	(70,378,884)	128,345,170
	257,845,465	328,224,349
	=====	=====

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

21. DEFERRED TAX LIABILITIES: TK. 41,015,326

(a) Deferred tax liabilities on Depreciable Assets	408,676	420,873
(b) Deferred tax liabilities on foreign currency translation gain/loss	18	170
(c) Deferred tax liabilities on Interest Receivable	2,238,122	1,862,325
(d) Deferred tax liabilities on Cash Incentive Receivable	9,719,015	4,786,777
(e) Deferred tax liabilities on Fair valuation surplus	28,649,495	36,469,371
	41,015,326	43,539,516
	=====	=====

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

a) Book Value of Depreciable Assets	88,988,280	103,204,859
Tax base of Depreciable Assets	85,718,871	99,837,875
Net Taxable Temporary Difference	3,269,409	3,366,984
Effective Tax Rate	12.50%	12.50%
Closing Deferred Tax (Assets)/Liabilities arising from depreciable assets	408,676	420,873
Opening Deferred Tax Balance	420,873	361,812
Deferred Tax (Expenses)/Income	12,197	(59,061)

	<u>30.06.2019</u>	<u>30.06.2018</u>
b) Foreign currency translation gain/loss (unrealized)	73	680
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from unrealized Foreign currency translation gain/loss	18	170
Opening Deferred Tax Balance	<u>170</u>	<u>-</u>
Deferred Tax (Expenses)/Income	152	(170)
c) Unrealized Interest on FDRs	8,952,488	7,449,298
Effective Tax Rate	25.00%	25.00%
Closing Deferred Tax (Assets)/Liabilities arising from unrealized FDRs Interest	<u>2,238,122</u>	<u>1,862,325</u>
Opening Deferred Tax Balance	1,862,325	1,701,828
Deferred Tax (Expenses) / Income	<u>(375,797)</u>	<u>(160,496)</u>
d) Cash Incentive Receivable	97,190,149	159,559,228
Effective Tax Rate	10.00%	3.00%
Closing Deferred Tax (Assets)/Liabilities arising from Cash Incentive Receivable	<u>9,719,015</u>	<u>4,786,777</u>
Opening Deferred Tax Balance	4,786,777	4,138,984
Deferred Tax (Expenses) / Income	<u>(4,932,238)</u>	<u>(647,793)</u>
Deferred Tax (Expenses) / Income (a+b+c+d)	<u>(5,295,687)</u>	<u>(867,520)</u>
	=====	=====
e) Deferred Tax (Assets)/Liabilities arising from Other Comprehensive Income:		
Gains on hedging instruments in cash flow hedges	-	-
Tax for (Losses)/gains on available for sale investments	28,649,495	36,469,371
Revaluation of property	-	-
Actuarial gain on defined benefit pension schemes	-	-
Foreign exchange gain for foreign operation	-	-
Closing Deferred Tax (Assets)/Liabilities arising from investments	28,649,495	36,469,371
Opening Deferred Tax Balance	<u>36,469,371</u>	<u>22,208,797</u>
Deferred Tax (Expenses)/Income arising from investments	7,819,876	(14,260,574)
	-----	-----
Total Deferred Tax (Assets)/Liabilities (a+b+c+d+e)	41,015,326	43,539,516
	=====	=====

22. LONG TERM LOAN: TK. 1,692,058

Term Loan	<u>1,692,058</u>	<u>2,380,997</u>
Opening Balance	2,974,834	-
Add: Loan taken during the year	-	3,490,000
Less: Paid during the year	<u>611,928</u>	<u>515,166</u>
	2,362,906	2,974,834
Less: Transferred to current maturity to next 12 months installment	670,848	593,836
	-----	-----
	1,692,058	2,380,997
	=====	=====

This represents the term loan taken from Dhaka Bank Limited, Foreign Exchange Branch, 100 Motijheel C/A, Dhaka for procurement of one plate freezer. Initial facility was available for Tk. 3.49 million and the tenure is 60 months. The loan bears interest @ 12.00% p.a. presently but it was initially 8.50% p.a. The loan was taken against a full set of charge documents of the Bank. Initial equal monthly installment (EMI) size was Tk. 71,820.47 but now it is Tk. 76,833.85, however the bank can re-fixed the interest rate and EMI time to time as per their Board decision.

	<u>30.06.2019</u>	<u>30.06.2018</u>
23. WORKING CAPITAL LOAN (SECURED): TK. 744,293,057		
CC (Hypo) from Agrani Bank Limited, Agrabad Corporate Branch, Chattogram	132,440,157	147,516,342
CC (Pledge) from Agrani Bank Ltd., Agrabad Corporate Branch, Chattogram	611,852,900	615,266,873
	<u>744,293,057</u>	<u>762,783,215</u>
	=====	=====

- The Working Capital Loan was taken from Agrani Bank Limited, Agrabad Corporate Branch, Jahan Building, Agrabad C/A, Chattogram, which is fully secured against 1st charge on Land, Building, Plant & Machinery and all other Assets of the Company and Pledge of Finished Goods.
- The Company has Cash Credit facilities of Tk. 78.00 Crore (Hypothecation Tk. 18.00 Crore & Pledge of finished goods Tk. 60.00 Crore) which has been fully availed. Apart from this, the Company has no such other credit facilities. The Loan bears interest @ 9.50% p.a. from 01.07.2018 to 25.07.2018, @ 7.45% p.a. from 26.07.2018 to 30.09.2018, @ 7.26% p.a. from 01.10.2018 to 31.12.2018, @ 7.63% p.a. from 01.01.2019 to 31.03.2019 and @ 7.84% p.a. from 01.04.2019 to 30.06.2019.

24. LONG TERM LOAN-CURRENT MATURITY: TK. 670,848

Long Term Loan	670,848	593,836
	<u>670,848</u>	<u>593,836</u>
	=====	=====

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

25. SHORT TERM LOAN: TK. 69,610,121

Dhaka Bank Limited	69,610,121	89,134,446
Loan against Cash Incentive	-	56,209,000
	<u>69,610,121</u>	<u>145,343,446</u>
	=====	=====

- Loan from Dhaka Bank Limited, Foreign Exchange Branch, Dhaka against lien on FDRs and the loan bear average interest @ 10.20% p.a. The Loan limit with Dhaka Bank Limited is Tk. 100.00 million.

26. TRADE PAYABLES: TK. 31,650,971

Shrimp Purchased	31,650,971	64,708,622
	=====	=====

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

	<u>30.06.2019</u>	<u>30.06.2018</u>
27. OTHER PAYABLES: TK. 28,479,206		
Advance against export	1,525,006	-
Audit Fees including VAT	230,000	230,000
Chemicals	53,069	38,547
Clearing & Forwarding	183,066	263,134
Consumable Stores & Spares	91,387	126,611
Contribution to PPF & WF	1,920,300	1,785,827
Contribution to Provident Fund	34,823	-
Directors' Remuneration	775,000	750,000
Electricity & WASA Charges	63,376	-
Entertainment	9,082	-
Factory Building	7,000	96,600
Factory Equipments	-	35,999
Ice	1,399,159	888,951
Interest Payable on Cash Incentive Loan	-	548,038
Interest Payable on OD A/C #203-170-1027	-	2,075,051
Interest Payable on CC Hypo & Pledge A/C	111,570	-
Legal & Professional Fees	200,600	20,000
Newspaper & Periodicals	4,382	4,120
Ocean Freight	-	615,135
Office Maintenance	111,327	-
Packing Materials	13,524,070	6,988,984
Plant & Machinery	55,000	350,600
Power, Fuel and Water	-	89,030
Printing & Stationery	45,181	2,000
Rent, Rates & Taxes	206,121	777,797
Repairs (Factory Building)	-	65,289
Repairs (Machinery & Equipment)	1,270,373	674,600
Salaries & Allowances	2,346,560	1,800,006
Sales Promotion Expenses	715,492	86,810
Staff Income Tax	124,308	61,911
Staff Welfare	104,400	107,100
Survey Fees & Inspection	56,350	12,650
Telephone, Telex & Fax	24,211	15,479
Uniform & Liveries	195,230	77,452
Wages & Salaries	3,045,593	4,335,801
Vehicles Maintenance	47,170	-
	<u>28,479,206</u>	<u>22,923,522</u>
	=====	=====

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

28. CURRENT TAX LIABILITIES: TK. 44,702,547

Opening Balance	42,181,245	38,760,024
Add: Current year tax	21,299,272	23,403,275
Less: Adjustment against completion of tax assessment	(18,777,970)	(19,982,054)
	<u>44,702,547</u>	<u>42,181,245</u>
	=====	=====

- This represents the tax liability up to the year 2018-19. Assessments have been completed up to income year 2016-17 and assessment figures (Liability/Advance) has been adjusted with the Accounts. Assessment for the income year 2017-18 is under process.

	<u>30.06.2019</u>	<u>30.06.2018</u>
29. OTHER LIABILITIES: TK. 11,159,396		
Unclaimed Dividend	<u>11,159,396</u>	<u>8,945,387</u>
Opening Balance	8,945,387	7,447,660
Add: Dividend approved at AGM	<u>11,404,800</u>	<u>11,404,800</u>
	20,350,187	18,852,460
Less: Paid during the year up to 30.06.2019	9,190,791	9,907,073
	-----	-----
	11,159,396	8,945,387
	=====	=====

- Unclaimed dividend represents the dividend warrants of Tk. 11,159,396/- not presented to Bank by the Shareholders within June 30, 2019. As on September 30, 2019 the payable amount was Tk. 11,119,352. The details of unclaimed dividend as on 30.06.2019 is as under:

<u>Year</u>	<u>Taka</u>
Up to 2014-15	5,917,229.90
2015-16	1,381,689.70
2016-17	1,491,314.00
2017-18	<u>2,369,162.60</u>
	<u>11,159,396.20</u>

30. REVENUE: TK. 1,712,669,526

	<u>Qty. in Kg.</u>	<u>US\$</u>		
Export of Shrimps	<u>1,862,067</u>	<u>20,646,751.42</u>	<u>1,712,669,526</u>	<u>1,922,167,738</u>
	1,862,067	20,646,751.42	1,712,669,526	1,922,167,738
	=====	=====	=====	=====

- Country wise break up of the Export for the year 2018-19:

<u>Name of the Countries</u>	<u>Quantity in KG</u>	<u>USD</u>
Belgium	197,240	2,237,642.00
Canada	59,298	836,886.00
Germany	185,000	2,357,200.00
Netherlands	242,560	2,342,096.00
Russia	283,900	2,535,967.00
Ukraine	36,000	328,632.00
UK	458,354	5,741,443.42
USA	<u>399,715</u>	<u>4,266,885.00</u>
	<u>1,862,067</u>	<u>20,646,751.42</u>

31. COST OF GOODS SOLD: TK. 1,515,615,626

	<u>Qty. in Kg.</u>	<u>Notes</u>		
Opening Stock of Finished Goods	933,867		868,082,873	864,730,220
Add: Cost of Production	<u>1,835,436</u>	32	<u>1,532,908,170</u>	<u>1,715,789,627</u>
	2,769,303		2,400,991,043	2,580,519,847
Less: Closing Stock of Finished Goods	<u>907,236</u>		885,375,417	868,082,873
	<u>1,862,067</u>		-----	-----
			1,515,615,626	1,712,436,974
			=====	=====

		<u>2018-19</u>	<u>2017-18</u>
32. COST OF PRODUCTION: TK. 1,532,908,170			
	<u>Qty. in Kg.</u>		
	<u>Notes</u>		
Shrimp Purchased	2,127,113	1,368,703,697	1,552,224,499
Packing Materials, Chemicals, Ice and Ingredients consumed	33	65,576,331	56,749,752
Direct Labor		25,734,843	29,101,466
Factory Overhead	34	72,893,299	77,713,910
		-----	-----
		1,532,908,170	1,715,789,627
		=====	=====

- Cash incentive adjusted with the raw materials purchase.

33. PACKING MATERIALS, CHEMICALS, ICE & INGREDIENTS CONSUMED: TK. 65,576,331

(a) Opening Balance (Packing Materials)		9,123,810	10,134,908
Add: Packing Materials Purchase		43,856,283	41,590,695
		-----	-----
		52,980,093	51,725,603
Less: Packing Materials in hand		2,174,471	9,123,810
		-----	-----
		50,805,622	42,601,793
(b) Opening balance (Chemical & Ingredients)		3,201,724	4,564,537
Add: Chemicals, Ice and Ingredients Purchase		13,168,483	12,785,146
		-----	-----
		16,370,207	17,349,683
Less: Chemical and Ingredients in hand		1,599,498	3,201,724
		-----	-----
		14,770,709	14,147,959
	Total (a+b)	65,576,331	56,749,752
		=====	=====

34. FACTORY OVERHEAD: TK. 72,893,299

Wages & Salaries		22,968,139	22,684,105
Bonus to Workers'		345,830	439,903
Power, Fuel & Water		21,484,224	20,498,411
Consumable Stores & Spares		1,017,603	1,544,875
Insurance premium		2,081,389	2,076,012
Repair & Maintenance		5,894,289	8,524,856
Carriage Inward		24,155	46,470
Depreciation		19,077,670	21,899,278
		-----	-----
		72,893,299	77,713,910
		=====	=====

35. OTHER OPERATING INCOME / (LOSS): TK. 73

Foreign Currency Translation Gain / (Loss)	<u>73</u>	<u>680</u>
---	------------------	-------------------

Foreign currency translation gain represents the difference between the closing conversion rate and the ledger conversion rate of FCY Account as on 30.06.2019.

	<u>2018-19</u>	<u>2017-18</u>
36. ADMINISTRATIVE AND SELLING OVERHEAD: TK. 100,982,602		
Advertisement	214,743	231,370
AGM Expenses	151,655	158,478
Audit Fee (Including VAT)	230,000	230,000
Board Meeting Fees	27,500	12,500
Bonus to Staff	2,246,405	2,228,295
Contribution to Provident Fund	1,643,649	1,589,591
Depreciation	1,079,221	1,163,952
Directors' Remuneration	9,300,000	9,000,000
Donation & Subscription	14,000	29,100
Electricity & WASA Charges	354,108	339,890
Entertainment	591,850	667,485
Freight & Forwarding	31,145,223	34,141,588
General Fees & Charges	45,200	191,380
Guest House Expenses	640,225	645,166
Laboratory Expenses	166,480	119,450
Laboratory Testing Fees	5,849,099	6,258,797
Legal & Professional Fees	270,700	557,700
License & Renewals	781,540	1,350,813
Medical Expenses	6,828	161,848
Membership Subscription	10,000	11,600
Newspaper & Periodicals	60,370	61,500
Office Maintenance	584,940	448,210
Postage & Stamp	391,064	362,703
Printing & Stationery	850,414	840,527
Rejection Insurance Premium	-	87,010
Rent, Rates & Taxes	3,071,881	3,071,884
Salaries & Allowances	26,104,640	26,567,657
Sales Commission	-	736,656
Sales Promotion Expenses	9,763,911	9,844,875
Sanitation Expenses	154,723	210,745
Staff Fooding	556,972	646,385
Staff Welfare Expenses	1,136,809	1,408,463
T.A & Conveyance	1,196,680	1,197,841
Telephone, Telex & Fax	486,022	510,903
Uniform & Liveries	459,444	530,551
Vehicles Maintenance	1,396,306	1,701,082
	<u>100,982,602</u>	<u>107,315,995</u>
	=====	=====

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

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

- Directors' Remuneration increased as the remuneration of Mr. Ashim Kumar Barua, Director has been increased from Tk. 3.00 lac to 3.25 lac per month.
- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.
- Sales promotion expenses include cost of samples and courier cost for distribution of free samples to the buyers.
- There are 11 (Eleven) Board Meetings held during the year.

	<u>2018-19</u>	<u>2017-18</u>
37. FINANCE INCOME: TK. 21,568,662		
Dividend Income:		
Dividend from Apex Spinning & Knitting Mills Ltd.	4,526,400	4,526,400
Dividend from CDBL	1,427,953	1,427,953
	-----	-----
	5,954,353	5,954,353
Interest Earned on FDRs and SND Account	15,614,309	13,125,076
	-----	-----
	21,568,662	19,079,429
	=====	=====

38. FINANCIAL EXPENSES: TK. 77,313,727

Interest	71,280,260	79,091,558
Charges	6,033,467	6,686,775
	-----	-----
	77,313,727	85,778,333
	=====	=====

39. PROVISION FOR CONTRIBUTION TO PPF & WF: TK. 1,920,300

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

40. TAX EXPENSES:

(a) Current Tax	21,299,272	23,403,275
(b) Deferred tax (expenses) / income - (Note-21)	(5,295,687)	(867,520)

The current tax comprises of the following:

On other income:

Interest earned	3,527,780	3,120,773
Dividend income	1,190,870	1,190,870
	4,718,650	4,311,643
Tax on Cash incentive	6,157,140	4,668,300
Tax on export (i.e. on gross receipt)	10,423,482	14,423,332
	-----	-----
	21,299,272	23,403,275
	=====	=====

- Current tax represents estimated Income Tax for the period from 1st July 2018 to 30th June 2019. As the Company is a Publicly Traded Company, as per the Income Tax Ordinance, 1984 and the Company is also a 100% export oriented Sea Food Processing Industry, the tax rate of the Company is 25%. Tax provision has been made on the basis of the highest of 12.50% (i.e. tax rate is 25% on business profit but the Company is 100% export oriented, so there is a rebate of 50%) or tax deducted at source @ 0.60% & 0.25% on export proceeds or tax on gross receipts @ 0.60% and provision has been made accordingly. However, the tax provision has been made @ 25% on interest earned and 20% on dividend income as per provision of the Income Tax Ordinance, 1984.
- The provision for deferred tax (expenses) / income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

2018-192017-18**41. BASIC EARNINGS PER SHARE (EPS) – DISCLOSURE UNDER IAS 33 “EARNINGS PER SHARE”:**

Earnings attributable to Ordinary Shareholders

Basic EPS = -----
 Weighted average number of ordinary shares outstanding during the year 2018-19

Basic Earnings Per Share (EPS)	=	11,811,047	=	2.07		9,659,923	=	1.69
		-----				-----		
		5,702,400				5,702,400		

- Weighted average number of Ordinary Shares outstanding during the year represents the number of Ordinary Shares outstanding at the beginning of the year plus the number of shares issued during the year multiplied by a time weighting factor. The time weighting factor is the number of days the specific number of shares are outstanding as a proportion of the total number of days in the period.
- There was significant variance occurs between quarterly performance and annual financial statements, as the EPS up to 3rd quarter was Tk. 1.44 but it became Tk. 2.07 annually though the revenue decreased but the management is efficiently running the Company as well as minimizing the cost as a result the EPS increased which is a sign of profitability is in upward trend.

42. NET ASSET VALUE (NAV) PER SHARE:

Net Assets (Total Assets – Total Liabilities)

NAV Per Share = -----
 Number of ordinary shares outstanding

Net Assets Value (NAV) Per Share	=	708,810,544	=	124.30		778,783,182	=	136.57
		-----				-----		
		5,702,400				5,702,400		

Net Asset Value per share is Tk. 124.30 as on 30.06.2019 but it was Tk. 136.57 as on 30.06.2018. The main reason for decreasing NAV due to decrease in share price of Investments. There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

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

Net Operating Cash Flows

NOCFPS = -----
 Number of ordinary shares outstanding

Net Operating Cash Flows Per Share (NOCFPS)	=	140,877,171	=	24.70		47,048,088	=	8.25
		-----				-----		
		5,702,400				5,702,400		

- There was significant variance in net operating cash flows as compared to the last year. The Net Operating Cash Flows per Share is Tk. 24.70 but it was Tk. 8.25 in 2017-18 which is mainly for decrease in trade receivables, decrease in payment for costs and expenses, decrease in other receivables. However, this scenario is changeable time to time depending on different issues.

44. DISCLOSURE REGARDING REARRANGEMENT:

- Income from foreign exchange gain or loss has been shown as other operating income in the statement of Profit or Loss and Other Comprehensive Income and notes to the accounts to confirm current year presentation and also few restructures have been made in the Statement of Profit or Loss and Other Comprehensive Income.
- Finance Income from FDR's and Dividend has been shown in "Cash Flows from Investing Activities" in the Statement of Cash Flows to confirm current year presentation.
- Interest paid has been shown in "Cash Flows from Financing Activities" in the Statement of Cash Flows to conform current year presentation.

45. DISCLOSURE REGARDING RESTATED :

- The comparative financial statements have been restated due to recognition of deferred tax on cash incentive receivable. Due to restated the opening balance of retained earnings & deferred tax liability of comparative financial statements and net profit after tax, for the year 2017-2018 have been changed accordingly.
- In accordance with IAS 1 as per paragraph 40(A) presented the three statement of the financial position.

46. EVENTS AFTER REPORTING PERIOD:

The Board of Directors recommended cash Dividend of Tk. 2.00/- per Share for the year 2018-19 at the Board meeting held on October 20, 2019. The total amount of Dividend is Tk. 11,404,800/- .

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

47. RELATED PARTY TRANSACTIONS:

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

2018-19 **2017-18**

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

Installed Capacity	7,200	%	7,200	%
Actual Capacity utilized	1,835	25.49	2,186	30.36
	<u>-----</u>		<u>-----</u>	
Variation	5,365		5,014	
	<u>=====</u>		<u>=====</u>	

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

(b) Production (Quantity in Kg):

Shrimps	1,835,436	2,186,192
	<u>-----</u>	<u>-----</u>
	1,835,436	2,186,192
	<u>=====</u>	<u>=====</u>

(c) Export (Quantity in Kg):

Shrimps	1,862,067	2,075,175
	<u>-----</u>	<u>-----</u>
	1,862,067	2,075,175
	<u>=====</u>	<u>=====</u>

(d) Consumption (Value in Taka):

<u>Items</u>	<u>Value</u>	<u>Consumption</u>
		%
Local Shrimps	1,368,703,697	95.43
Local Packing Materials, Chemicals, Ice & Ingredients	65,576,331	4.57

(e) Salaries & Wages:

	<u>No. of Employees</u>	<u>Taka</u>
Up to Tk. 5,000.00 per month	-	-
Above Tk. 5,000.00 per month	272	53,308,663
	<u>-----</u>	<u>-----</u>
	272	53,308,663
	<u>=====</u>	<u>=====</u>

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

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

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fees	27,500	--
Salaries and Allowances	9,300,000	34,589,192
Contribution to Provident Fund	--	1,094,058
Bonus	--	1,967,667
Perquisites	--	13,040,727

50. CAPITAL EXPENDITURE COMMITMENT:

- There was no capital expenditure contracted or incurred or provided for as on 30th June 2019.
- There was no material capital expenditure authorized by the Board or contracted for as on 30th June 2019.

51. CONTINGENT LIABILITY:

- There is Tk. 1.72 million as Bank guarantee for which the Company is contingently liable as on 30th June 2019.

52. DURING THE YEAR UNDER REVIEW:

- No amount of money was spent by the Company for compensating any member of the Board for special service rendered except as stated above.
- There was no bank guarantee issued by the company on behalf of the directors.
- There was no brokerage paid against sales during the year 2018-19.
- There was no expense on account of miscellaneous/general expenses.
- There was no claim against the Company that has not been acknowledged as debt on 30th June 2019.
- There was no credit facility available to the Company under any contract or availed of as on 30th June 2019 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/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
Sheuli Rani Dey
Chief Financial Officer

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

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

	<u>2018-19</u>	<u>2017-18</u>
Cash flows from operating activities:		
Profit before tax	38,406,006	33,930,718
Add: Depreciation	20,156,891	23,063,230
Less: Effect of foreign exchange translation gain	(73)	(680)
Less: Finance income during the year	(21,568,662)	(19,079,429)
Add: Interest paid during the year	71,280,260	79,091,558
(Increase)/Decrease in Inventories	(8,740,979)	(978,742)
(Increase)/Decrease in Trade Receivables	24,577,415	37,797,068
(Increase)/Decrease in Advance, Deposits & Pre-payments	(2,723,958)	(1,332,928)
(Increase)/Decrease in Other Receivables	62,369,079	(21,593,098)
Income tax paid during the year	(18,309,559)	(24,595,103)
(Increase)/Decrease in Security deposits	-	(295,736)
Increase/(Decrease) in Trade Payables	(33,057,651)	(39,813,377)
Increase/(Decrease) in Other Payables	8,488,402	(19,145,394)
	-----	-----
Net cash generated from/(used in) operating activities	140,877,171	47,048,088
	=====	=====
RECONCILIATION:		
Net cash generated from/(used in) operating activities- Indirect method	140,877,171	47,048,088
Net cash generated from/(used in) operating activities- Direct method	140,877,171	47,048,088
	-----	-----
Differences	0	0
	=====	=====

