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TRANSMITTAL LETTER

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

Subject: **Annual Report for the year ended on June 30, 2016**

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, 2016, 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, 2016 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 **THIRTY-SEVENTH ANNUAL GENERAL MEETING of APEX FOODS LIMITED** will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka -1206 on **Thursday the December 22, 2016 at 11.00 A.M.** to transact the following business:

AGENDA

1. To receive and adopt the Audited Financial Statements for the year ended on 30 June 2016 and report of the Auditors and Directors thereon.
2. To declare Dividend for the year 2015-16.
3. To elect Directors.
4. To approve re-appointment/extension of tenure of Independent Director.
5. To appoint Auditors' for the year 2016-17 and fix their remuneration.
6. To transact any other business of the Company, with permission of the Chair.

Date: Dhaka
November 06, 2016

By order of the Board of Directors

Sd/-
Kamrul Islam
Assistant Company Secretary

NOTES:

1. The record date shall be on **November 17, 2016**.
2. The Shareholders whose name will appear in the Register of Members of the Company or in the Depository on the 'Record Date' will be eligible to attend the Annual General Meeting and be entitled to the Dividend.
3. A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead as per para 104 of the Articles of Association of the Company. The Proxy Form duly filed 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.
4. In pursuance of BSEC's Notification No. SEC/SRMI/2000-953/1950 dated October 24, 2000 gazetted on November 07, 2000, the Company shall hold discussions in the Annual General Meeting strictly in conformity with the provisions of the Companies Act, 1994.
5. Admittance to the meeting venue will be strictly on production of the Attendance Slip sent with the Notice.
6. Shareholders bearing BOID are requested to update their respective BOID with 12 digits Taxpayer's Identification Number (**eTIN**) and address through Depository Participant (DP) and Shareholders bearing Folio Numbers are requested to submit their 12 digit **eTIN** certificate to the Share Department of the Company by **November 17, 2016** latest. Failing which Income Tax at source will be deducted from cash dividend @15% instead of 10%.

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

SENIOR CORPORATE OFFICIALS

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

LEGAL ADVISORS

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

AUDITORS

Hussain Farhad & Co.
Chartered Accountants

BANKER

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

REGISTERED OFFICE

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

FACTORY

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

FIVE YEARS STATISTICS

Figure in Thousand Taka

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Results of Operations:					
Revenue	2,031,947	2,751,780	3,844,681	3,305,717	3,933,346
Gross Profit	191,521	219,627	297,878	357,375	303,517
Operating Profit/(Loss)	(20,800)	(53,525)	31,319	20,664	18,735
Net Profit before Tax	9,278	123,814	66,858	62,367	46,704
Net Profit/(Loss) after Tax	(13,229)	84,843	17,041	14,494	15,434
Earning per Share (EPS)	(2.32)	14.88	2.99	2.54	2.71
Dividend Per Share*	2.00	2.00	2.00	1.80	1.80
Financial Positions:					
Total Assets	1,545,510	1,779,947	1,693,029	1,758,653	1,571,415
Property, Plant and Equipment-Gross	684,643	678,306	659,967	603,465	559,384
Property, Plant and Equipment-Net	131,305	155,017	171,963	154,421	147,409
Gross Working Capital	1,190,699	1,449,240	1,320,330	1,408,553	1,222,369
Net Working Capital	307,597	344,476	279,368	280,260	344,895
Working Capital Loan	712,861	794,270	733,884	778,328	766,024
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	192,816	225,931	152,494	145,717	141,392
Share Holders Equity	619,359	622,483	562,052	517,859	551,441
Term Loan	52,500	82,500	120,000	178,317	156,687
Key Financial Ratios:					
Current Ratio	1.35	1.31	1.27	1.25	1.39
Debt to Total Assets (%)	59.93	65.03	66.80	70.55	64.91
Return on Equity (%)	(2.14)	13.63	3.03	2.80	2.80
Net Asset Value Per Share	108.61	109.16	98.56	90.81	96.70
Dividend Payout Ratio (%)	(86.21)	13.44	66.93	70.82	66.50
Interest Service Coverage Ratio	0.79	0.47	1.30	1.14	1.17
Others:					
Market Price Per Share (30 th June)	116.49	100.2	104.22	85.76	63.85
Price Earning Multiple	(50.21)	6.73	34.88	33.74	23.59
Number of Employees (Including contract labor)	533	600	710	518	556
Capacity Utilization (%)	32.01	41.58	51.74	61.61	61.19

* The Board of Directors recommended Cash Dividend @Tk. 2.00 per Share for the year 2015-16.

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

Corporate Governance Compliance Status Report

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

Condition No.	Title	Compliance Status	Explanation for non compliance with the condition
1.1	Board's Size: Board members should not be less than 5 (Five) and more than 20 (Twenty).	Complied	
1.2	Independent Directors		
1.2 (i)	Independent Director: At least 1/5 th (We have four Directors and One Independent Director)	Complied	
1.2 (ii)a)	Less than 1% Shares	Complied	
1.2 (ii)b)	Not a Sponsor of The Company	Complied	
1.2 (ii)c)	Does not have other relationship	Complied	
1.2 (ii)d)	Not a Member, Director or Officer of any Stock Exchange.	Complied	
1.2 (ii)e)	Not a Shareholder, Director or Officer of any Stock Exchange or an intermediary of the capital market.	Complied	
1.2 (ii)f)	Not a Partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	Complied	
1.2 (ii)g)	Not an Independent Director more than three listed Companies.	Complied	
1.2 (ii)h)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBF)	Complied	
1.2 (ii)i)	Not convicted for a Criminal offence	Complied	
1.2 (iii)	Appointment by the Board and approved in AGM.	Complied/ In process	
1.2 (iv)	Post can not remain vacant more than 90 days	Complied	
1.2 (v)	Lay down a code of conduct and annual compliance.	Complied	
1.2 (vi)	Tenure of the Independent Director.	Complied	
1.3	Qualification of Independent Director (ID)		
1.3 (i)	Independent Director shall be knowledgeable	Complied	
1.3 (ii)	Should be a Corporate Leader/Business Leader	Complied	
1.3 (iii)	Special cases for relaxation of qualifications.	Not Applicable	
1.4	Chairman of the Board and Chief Executive Officer: Individual Chairman of the Board, Chief Executive Officer and clearly defined roles and responsibilities.	Complied	
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)	Basis for related party transactions- a statement of all related party transactions.	Not applicable	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	Not applicable	There was no such event during the year.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	Not applicable	There was no such event during the year.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	Complied	
1.5 (x)	Remuneration to directors including independent directors.	Complied	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	Complied	
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	Complied	
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	Not applicable	
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	
1.5 (xxi)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxi)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	

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

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

4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied	
4 (ix)	Audit/Certification services on Compliance of Corporate Governance as required under clause (i) of condition No. 7.	Complied	
5	SUBSIDIARY COMPANY:		
5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Not applicable	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding Company shall be a director on the Board of Directors of the subsidiary company.	Not applicable	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Not applicable	
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Not applicable	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Not applicable	
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):		
6.(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	Complied	
6 (i)a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i)b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied	
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:		
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines.	Complied	
7(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report regarding compliance.	Complied	

To the shareholders of Apex Foods Limited

Certificate on compliance of conditions of corporate governance guidelines

We have examined the compliance of the conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) of Apex Foods Limited for the year ended on June 30, 2016 as stipulated in clause 7(i) of the BSEC notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

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

To the best of our information and according to the explanations given to us, we certify that, except as reported on the attached status of compliance statement, Apex Foods Limited has complied with conditions of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Dated: Dhaka
October 27, 2016

Sd/-
Malek Siddiqui Wali
Chartered Accountants

AUDIT COMMITTEE REPORT

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

The Audit Committee of the Company comprises of three Directors, nominated by the Board of Directors of the Company, headed by the Independent Director, Mr. Kazi Faruq Kader. 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 2015-16, six Audit Committee meeting were held, the details of attendance of each member at the Audit Committee meetings are as follows:

Name of the Member	Number of Audit Committee Meeting held	Attended
Mr. Kazi Faruq Kader	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 principals.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the Board for approval.
- Review along with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Sufficient effectiveness of the internal financial controls.
- Compliance of all applicable legal and regulatory rules and regulations.
- Various reports of operational activities and streamlined the operations of the Company.
- The committee reviewed the audit plan for the year 2015-16 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 27th October 2016

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

CEO & CFO's Declaration to the Board of Directors

Date: October 27, 2016

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

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

Dear Sirs:

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

- (i) We have reviewed that the financial statements for the year ended on 30th June 2016 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws:
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sincerely yours,

Sd/-
Shahriar Ahmed
Managing Director

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

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It is an honor and pleasure for me to welcome you all to the Thirty-seventh Annual General Meeting of your Company and to present the Annual Report for the year ended 30th June 2016.

Global Economy:

The world economy has experienced subdued growth continuing from last year, underperforming across almost all regions in the last fiscal year. Cyclical movements in growth remain synchronized among world economies. Looking ahead, global growth is projected to strengthen from 2.4 percent in 2016 to 2.8 percent in 2017. This is attributable to the renewed increase in financial volatility in late January – although market pressures were relatively broadly based, countries with higher inflation and wider current account deficits were generally more affected. Some emerging economies have tightened macroeconomic policies to shore up confidence and strengthen their commitment to policy objectives. Overall, financial conditions have tightened further in some emerging market economies, causing cost of capital to increase and this is expected to dampen investment and weigh on growth.

Downside risks, old and new, still dominate the outlook. Unexpected rapid normalization of U.S. monetary policy or renewed bouts of high risk aversion on the part of investors could result in further financial turmoil. With the arrival of a new political system in the USA and the “Brexit”, comes new challenges for global markets, with epicentres of power and geopolitics shifting from the West to the East. This may lead to difficult adjustments in some emerging market economies, with a risk of contagion and broad-based financial stress, and thus lower growth. Improved ties with India, Russia and large funds from Chinese sources have been committed for Bangladesh, which proves to be a big positive sign for the country.

Bangladesh Economy:

Despite social unrest in the first half of fiscal year 2015/16 (July-June), real GDP grew by 7.1% and the economy is expected to continue to grow at a brisk pace. Bangladesh has set target to be in the middle-income group status by the year 2021. This is expected to be achieved through simultaneous improvement of political, economic, social, technological, rule of law and the environment, leading to eradication of numbers of the absolute poor.

Growth in Bangladesh in FY 2016 (ended 30 June 2016) exceeded expectations, aided by revived exports and sustained domestic consumption. Inflation was lower than projected, while larger exports and modest imports kept the current account in a larger surplus. Higher public sector salaries had an offsetting effect on the decline in remittances in Bangladesh in FY 2016. A rise in consumer and investor confidence as the political situation stabilized is also a stimulant for demand and has strengthened growth momentum.

While the economy is likely to retain its competitive advantage in producing clothing and apparel, rising incomes, better regulation and improved infrastructure will encourage a move towards higher value-added sectors. This could include the assembly of high-tech goods, boosting trade in this sector. In the long term, rising Foreign Direct Investment (FDI) inflows should support investment in Bangladesh. Growing household incomes should open the market for consumer goods, including high-tech products, however domestic consumer spending must be increased to sustain the growth of GDP, and the financial sector indeed holds a large role in making this achievable by offering more consumer centric financial products.

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 27, 2016

Sd/-
Zafar Ahmed
Chairman

REPORT OF THE DIRECTORS

Dear Shareholders,

The Directors are pleased to submit to you the Annual Report together with the Auditors' Report and Audited Financial Statements of the Company for the year ended 30th June, 2016.

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

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

World shrimp production tops 6 million tonnes a year, of which 70,000 tonnes are produced in Bangladesh. A few key countries, like China, are at the epicentre of contributing to global fish supply. Yet other regions, like Southeast and South Asia, also have a major role to play. One of the key factors of China's success in maintaining a highly productive aquaculture sector is that it has maintained a national extension system for aquaculture that has continued widespread outreach to producers through well-trained and qualified staff. More than 70 percent of global aquaculture production is produced by small-to medium-scale enterprises that are heavily concentrated in Asia in China, India, Vietnam and Indonesia.

The country earned US\$ 472.37 million from the sector during the FY 2015-16, whereas US\$ 502.72 million was earned in the 2014-15 FY. The export earnings from the sector have declined in the last two years. The export of frozen shrimp registered a negative growth of 6.04 per cent in the fiscal year (FY) 2015-16 compared to that of previous fiscal year.

Bangladesh ranked 5th as aquaculture producing country in the world (FAO, 2015), but the shrimp industry in Bangladesh still has a long way to go to become a driver of sustainable and inclusive development in the country, and to achieve this goal, more interventions from the Government, international organizations and civil society are needed urgently - training shrimp farmers in best practice, labour law compliance, involving the use of pure organic feed, and strict monitoring, hygiene and traceability systems.

(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 23 of the Annual Report.

(iii) Risks and concerns:

Supply shortage of raw materials is causing problem in processing frozen food while transport scarcity is compounding the problem of getting the products to sea ports.

Water salinity levels in lands is high in lands adjacent to ponds where the salt loving shrimp is cultivated, which does not allow for cultivation of vegetables and other livestock. Therefore, several small-scale suppliers are running out of ways to develop sustainable growth models. The varieties of freshwater fish cultivated in regions like Khulna are also on a decline due to water salinity levels. There have also been reports of skin diseases and vitamin deficiencies in growing children living in these areas.

(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 1,840 million as compared to last year's cost of goods sold of BDT 2,534 million. This is due to decrease in gross turnover along with a decrease in average production cost of 190/- per Kg. During the year 2,305,436 Kg of shrimps were produced as against last year's production of 2,993,979 Kg. Production capacity utilized during the year was 32.01%. Raw Material Purchase cost has decreased to the tune of Tk. 1,029.17 million against last year.

(b) Gross Profit:

The company has achieved an export turnover of Tk. 2,031.95 million during the year ended 30th June 2016. Last year's turnover was Tk. 2,751.78 million. The decrease in turnover is 26.16% over the last year. Gross profit earned during the year was Tk. 191.52 million as against last year's gross profit of Tk. 217.21 million.

(c) Net Profit:

During the year net loss after tax was Tk. 13.23 million as compared to last year's Net Profit (after tax) of Tk. 84.84 million. During the year, the company incurred a net loss due to decrease in turnover and other income.

(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. 43.04 million has been shown as Fair Value Surplus of Investment in the Statement of Profit or Loss and other Comprehensive Income which represents the difference between the closing price of investment in the Shares of Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited and the price shown in the last Statement of Financial Position. This accounting effect was given in order to comply with the latest requirement of Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standards (BFRS). Details are given in Note 13 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 were no public issues and/ or 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 no significant variance between quarterly performance and annual financial statements.

(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	3,600,000
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 (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

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

(xvi) There are no significant doubts upon the issuer company's ability to continue as a going concern.

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

During the year turnover has decreased but due to increase in operational efficiency we have been able to increase Gross Profit Ratio. The operating loss incurred is due to administrative and financial expenses.

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

“Figure in thousand Taka”

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Operational Data:						
Revenue	2,031,947	2,751,780	3,844,681	3,305,717	3,933,346	3,207,315
Gross Profit	191,521	219,627	297,878	357,375	303,517	264,936
Operating Profit/(Loss)	(20,800)	(53,525)	31,319	20,664	18,735	9,060
Net Profit before Tax	9,278	123,814	66,858	62,367	46,704	34,188
Net Profit/(Loss) after Tax	(13,229)	84,843	17,041	14,494	15,434	10,795
Earnings Per Share (EPS)	(2.32)	14.88	2.99	2.54	2.71	18.93
Dividend Per Share	2.00	2.00	2.00	1.80	1.80	14.00
Financial Data:						
Total Assets	1,545,510	1,779,947	1,693,029	1,758,653	1,571,415	1,485,155
Property, Plant and Equipment-Gross	684,643	678,306	659,967	603,465	559,384	533,001
Property, Plant and Equipment-Net	131,305	155,017	171,963	154,421	147,409	156,324
Gross Working Capital	1,190,699	1,449,240	1,320,330	1,408,553	1,222,369	1,268,177
Net Working Capital	307,597	344,476	279,368	280,260	344,895	337,975
Working Capital Loan	712,861	794,270	733,884	778,328	766,024	772,727
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	192,816	225,931	152,494	145,717	141,392	139,079
Share Holders Equity	619,359	622,483	562,052	517,859	551,441	405,191
Term Loan	52,500	82,500	120,000	178,317	156,687	164,886

(xix) Dividend:

Board of Directors has recommended Cash Dividend of Tk. 2.00 per Share of Tk. 10.00 each for the year 2015-16. 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 17th November 2016 at the close of office.

(xx) Board meetings:

During the year 8 (Eight) Board Meetings were held. The attendance record of the Directors is as follows:

Name of Directors	Meeting attended
Mr. Zafar Ahmed	08
Mr. Zahur Ahmed PhD	08
Mr. Shahriar Ahmed	08
Mr. Ashim Kumar Barua	08
Mr. Kazi Faruq Kader	08

(xxi) The pattern of shareholding:

Name wise details	No. of 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 Faruk Kader – Independent Director	NIL
Mr. S.K. Halder – Chief Financial Officer	NIL
Mr. Ashish Kumar Paul FCA – Head of Internal Audit	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

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

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

Mr. Zahur Ahmed PhD

- a. Mr. Zahur Ahmed PhD is a Doctorate in Biophysics from USA and former Associate Professor of the State University of New York at Buffalo, USA. He is one of the Directors of the Company and working in this sector since 1991. During his long tenure with the Company, Mr. Zahur has gathered vast knowledge about this sector. Mr. Zahur is now Vice Chairman of the Company.
- b. He is also holding the Directorship of (i) Apex Spinning & Knitting Mills Limited, (ii) Apex Lingerie Limited, (iii) Apex Yarn Dyeing Limited, (iv) Apex Textile Printing Mills Limited, (v) Apex Fashion Wear Limited and (vi) Matex Bangladesh Limited.
- c. He is not a member of any Committee of the Board.

Mr. Shahriar Ahmed

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

- 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.

(xxiii) Auditors:

As per order of the Bangladesh Securities & Exchange Commission, existing Auditors M/s. Hussain Farhad & Co., Chartered Accountants, retires being the auditors of the Company for three consecutive years. Being eligible, M/s. Malek Siddiqui Wali., Chartered Accountants offer themselves for appointment as Auditors of the Company for the year 2016-17.

(xxiv) Corporate Governance Compliance Report:

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

Dhaka
27th October 2016

On behalf of the Board

Sd/-
Zafar Ahmed
Chairman

পরিচালকগণের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আপনাদের কোম্পানীর পরিচালকগণ ২০১৬ সালের ৩০ শে জুন তারিখে সমাপ্ত হিসাব বৎসরের বার্ষিক প্রতিবেদন এর সাথে নিরীক্ষকের প্রতিবেদন ও নিরীক্ষিত আর্থিক বিবরণী আপনাদের সম্মুখে উপস্থাপন করতে পেরে আনন্দিত।

পরিচালনা পর্ষদের প্রতিবেদন প্রনয়নের ক্ষেত্রে কোম্পানী আইন ১৯৯৪ এর ১৮৪ ধারা ও বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) নোটিফিকেশন নং- এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ- আগস্ট ৭, ২০১২ অনুসরণ করা হয়েছে।

১. শিল্প সম্পর্কিত ধারণা এবং এই শিল্পের ভবিষ্যত উন্নয়নের সম্ভাবনাঃ

বিশ্বে চিংড়িমাছের মোট বাৎসরিক উৎপাদন ৬ মিলিয়ন টন এর উপরে যার মধ্যে বাংলাদেশ উৎপাদন করে বাৎসরিক ৭০,০০০ টন। কতিপয় প্রধান দেশ যেমন চীন সারা পৃথিবীর প্রধান মৎস্য সরবরাহকারী। এখন অন্যান্য অঞ্চল যেমন দক্ষিণ পূর্ব এবং দক্ষিণ এশিয়া এই খাতে বড় ভূমিকা রাখার আছে। একটি অত্যন্ত উৎপাদনশীল মৎস্যচাষ বজায় রাখতে চীনের সাফল্যের মূল কারণ হল, চাষের জন্য একটি জাতীয় সম্প্রসারণ পদ্ধতি বজায় রাখা, সুশিক্ষিত ও দক্ষ কর্মীর মাধ্যমে উৎপাদনকারীদের মধ্যে ব্যাপক প্রচারনা। বিশ্বের ৭০ শতাংশেরও বেশী মৎস্য উৎপাদন হয় এশিয়ার ছোট থেকে মাঝারি উদ্যোগীদের দ্বারা যার বেশীর ভাগই এশিয়া মহাদেশের চায়না, ভারত, ভিয়েতনাম এবং ইন্দোনেশিয়ায়।

২০১৫-২০১৬ অর্থ বছরে বাংলাদেশ এই খাত থেকে আয় করেছে ৪৭২.৩৭ মিলিয়ন মার্কিন ডলার অথচ ২০১৪-১৫ অর্থ বছরে এই খাতে আয় ছিল ৫০২.৭২ মার্কিন ডলার। গত দুই বছরে এই খাতের আয় কমে গেছে। হিমায়িত চিংড়ি রপ্তানী গত অর্থ বছরের তুলনায় ২০১৫-১৬ অর্থ বছরে ৬.০৪% কমে গেছে।

মৎস্য উৎপাদন খাতে বিশ্বে বাংলাদেশের স্থান পঞ্চম (এফএও ২০১৫) কিন্তু চিংড়ি চাষে বাংলাদেশকে যদি চালকের আসনে আসতে হয় তাহলে আরও বহুদূর যেতে হবে, আর এ জন্য সরকার, দাতা সংস্থা, সুশীল সমাজ এর সাহায্য সহযোগিতা জরুরী প্রয়োজন এবং চিংড়ি চাষীদের প্রশিক্ষণ, শ্রম আইন বাস্তবায়ন, অর্গানিক খাবার ব্যবহার, কঠোর পর্যবেক্ষণ, স্বাস্থ্য সচেতনতা ও ট্রেসিবিলিটি জরুরী ভাবে প্রয়োজন।

২. খাতওয়ারি অথবা পণ্য ভিত্তিক ফলাফলঃ

যেহেতু এপেক্স ফুডস্ লিমিটেড শুধু চিংড়ি প্রক্রিয়াকরণ ও রপ্তানী করে সেহেতু এখানে পণ্য ভিত্তিক ফলাফলের বিবরণ দেওয়ার কোন সুযোগ নেই। যাহোক বার্ষিক প্রতিবেদনের ২৩ নং নোটে আমাদের প্রতিষ্ঠানটি কোন দেশে কত রপ্তানী করেছে তার বিস্তারিত বিবরণ দেওয়া হয়েছে।

৩. ঝুঁকি ও উদ্ভিগ্নতা সমূহঃ

কাঁচামালের অপ্রতুলতার কারণে হিমায়িত খাদ্য প্রক্রিয়া করণ করা সমস্যা হচ্ছে আর এ সমস্যাকে আরও জটিল করেছে উৎপাদিত হিমায়িত খাদ্য সমুদ্র বন্দরে পৌঁছানোর জন্য পরিবহন সংকট।

যে সকল মাটিতে পানির লবনাক্ততা বেশী তৎসংলগ্ন পুকুরে লবণ প্রিয় চিংড়ি চাষ করা হচ্ছে, যেখানে সবজী চাষ বা অন্য গবাদিপশু চাষ করা যায়না। সুতরং অনেক ছোট ছোট সরবরাহকারী অস্তিত্ব সংকটে পড়েছে এবং টেকসই প্রবৃদ্ধি করতে পারছে না। যেখানে বিভিন্ন জাতের মিষ্টিপানির মাছের চাষ হয় যেমন খুলনা অঞ্চল সেখানে সংকট সৃষ্টি হয়েছে পানির লবনাক্ততা বৃদ্ধি পাওয়ায়। এছাড়া উক্ত এলাকার বাড়ন্ত শিশুরা চর্মরোগ এবং ভিটামিন শূন্যতায় আক্রান্ত হচ্ছে।

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

ক) বিক্রিত পণ্যের ব্যয় :

এই বৎসর বিক্রিত পণ্যের ব্যয় ছিল ১,৮৪০ মিলিয়ন টাকা যা গত বৎসর ছিল ২,৫৩৪ মিলিয়ন টাকা। এর কারণ মোট বিক্রয় হ্রাস পেয়েছে সাথে গড়ে কেজি প্রতি উৎপাদন ব্যয় ১৯০ টাকা হারে হ্রাস পেয়েছে। চলতি বৎসর ২,৩০৫,৪৩৬ কেজি চিংড়ি উৎপাদন হয়েছে যা গত বৎসর ছিল ২,৯৯৩,৯৭৯ কেজি। চলতি বৎসরে উৎপাদন ক্ষমতার ৩২.০১ শতাংশ ব্যবহৃত হয়েছে। গত বৎসরের তুলনায় কাঁচামাল ক্রয়ের জন্য ১০২৯.১৭ মিলিয়ন টাকা কম খরচ হয়েছে।

খ) মোট মুনাফাঃ

৩০ শে জুন ২০১৬ সমাপ্ত অর্থ বৎসরে কোম্পানী মোট বিক্রয় করেছে ২০৩১.৯৫ মিলিয়ন টাকা । গত বৎসর বিক্রয় ছিল ২,৭৫১.৭৮ মিলিয়ন টাকা । গত বৎসরের তুলনায় বিক্রয় ২৬.১৬ শতাংশ হ্রাস পেয়েছে । এ বৎসর মোট মুনাফা অর্জিত হয়েছে ১৯১.৫২ মিলিয়ন টাকা যা গত বৎসর ছিল ২১৭.২১ মিলিয়ন টাকা ।

গ) নীট মুনাফাঃ

এ বৎসর কর পরবর্তী নীট ক্ষতি হয়েছে ১৩.২৩ মিলিয়ন টাকা এবং গত বৎসর কর পরবর্তী নীট লাভ ছিল ৮৪.৮৪ মিলিয়ন টাকা । বিক্রয় কমে যাওয়া ও অন্যান্য আয় কমে যাওয়ার ফলে এ বৎসর নীট ক্ষতি হয়েছে ।

৫. অস্বাভাবিক লাভ বা ক্ষতিঃ

এ বৎসর বাস্তবিক অর্থে প্রাপ্ত কোন অস্বাভাবিক লাভ বা ক্ষতি নেই । বিনিয়োগের সূষ্ঠ মূল্যায়নের ফলে ৪৩.০৪ মিলিয়ন টাকা উদ্ধৃত্ত যাহা আয় বিবরণীতে দেখানো হয়েছে যাহা এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড এবং এপেক্স উইভিং এন্ড ফিনিশিং মিলস্ লিমিটেড এর শেষারে বিনিয়োগের সমাপনী মূল্য এবং গত বৎসরের আর্থিক অবস্থার বিবরণীতে দেখানো মূল্যের পার্থক্য, এটা বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্স (বি.এ.এস) / বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্স (বি.এফ.আর.এস) অনুযায়ী হিসাব বিবরণীতে দেখানো হয়েছে । বার্ষিক প্রতিবেদনে ১৩ নং নোটে বিস্তারিত বিবরণ দেওয়া হয়েছে ।

৬. আন্তঃ সম্পর্কিত কোম্পানীর লেনদেন সমূহঃ

এ বৎসর আন্তঃ সম্পর্কিত কোম্পানীর সাথে কোন লেনদেন হয়নি ।

৭. পাবলিক ইস্যু অথবা রাইট ইস্যু হইতে প্রাপ্ত তহবিলের ব্যবহারঃ

এ বৎসর কোন পাবলিক ইস্যু অথবা রাইট ইস্যু হয়নি ।

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

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

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

ত্রৈমাসিক আর্থিক অবস্থার বিবরণী এবং বার্ষিক আর্থিক বিবরণী মধ্যে উল্লেখযোগ্য পার্থক্য নেই ।

১০. স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিকঃ

স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিশ্রমিক নিম্নরূপঃ-

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

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

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

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

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

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

১৭. গত বৎসরের পরিচালনগত ফলাফলের সহিত চলতি বৎসরের ব্যবধানঃ

চলতি বৎসরে বিক্রয় হ্রাস পেয়েছে কিন্তু পরিচালনার দক্ষতা বৃদ্ধির ফলে মোট লাভের অনুপাত বৃদ্ধিতে সক্ষম হয়েছে। প্রশাসনিক ও ফিন্যান্সিয়াল ব্যয়ের কারণে পরিচালনগত লোকসান সৃষ্টি হয়েছে।

১৮. পূর্ববর্তী পাঁচ বছরের মূখ্য পরিচালন এবং আর্থিক উপাত্তঃ

“সংখ্যা হাজার টাকায়”

বিবরণ	২০১৫-১৬	২০১৪-১৫	২০১৩-১৪	২০১২-১৩	২০১১-১২	২০১০-১১
পরিচালন তথ্য:						
বিক্রয়	২,০৩১,৯৪৭	২,৭৫১,৭৮০	৩,৮৪৪,৬৮১	৩,৩০৫,৭১৭	৩,৯৩৩,৩৪৬	৩,২০৭,৩১৫
মোট মুনাফা	১৯১,৫২১	২১৯,৬২৭	২৯৭,৮৭৮	৩৫৭,৩৭৫	৩০৩,৫১৭	২৬৪,৯৩৬
পরিচালন মুনাফা/লোকসান	(২০,৮০০)	(৫৩,৫২৫)	৩১,৩১৯	২০,৬৬৪	১৮,৭৩৫	৯,০৬০
করপূর্ব মুনাফা	৯,২৭৮	১২৩,৮১৪	৬৬,৮৫৮	৬২,৩৬৭	৪৬,৭০৪	৩৪,১৮৮
করপূর্ব মুনাফা/লোকসান	(১৩,২২৯)	৮৪,৮৪৩	১৭,০৪১	১৪,৪৯৪	১৫,৪৩৪	১০,৭৯৫
শেয়ার প্রতি আয়	(২.৩২)	১৪.৮৮	২.৯৯	২.৫৪	২.৭১	১৮.৯৩
প্রতি শেয়ারের জন্য লভ্যাংশ	২.০০	২.০০	২.০০	১.৮০	১.৮০	১৪.০০
আর্থিক তথ্য:						
মোট সম্পদ	১,৫৪৫,৫১০	১,৭৭৯,৯৪৭	১,৬৯৩,০২৯	১,৭৫৮,৬৫৩	১,৫৭১,৪১৫	১,৪৮৫,১৫৫
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-মোট	৬৮৪,৬৪৩	৬৭৮,৩০৬	৬৫৯,৯৬৭	৬০৩,৪৬৫	৫৫৯,৩৮৪	৫৩৩,০০১
সম্পত্তি, যন্ত্রপাতি ও যন্ত্রাংশ-নীট	১৩১,৩০৫	১৫৫,০১৭	১৭১,৯৬৩	১৫৪,৪২১	১৪৭,৪০৯	১৫৬,৩২৪
মোট চলতি মূলধন	১,১৯০,৬৯৯	১,৪৪৯,২৪০	১,৩২০,৩৩০	১,৪০৮,৫৫৩	১,২২২,৩৬৯	১,২৬৮,১৭৭
নীট চলতি মূলধন	৩০৭,৫৯৭	৩৪৪,৪৭৬	২৭৯,৩৬৮	২৮০,২৬০	৩৪৪,৮৯৫	৩৩৭,৯৭৫
চলতি মূলধন ঋণ	৭১২,৮৬১	৭৯৪,২৭০	৭৩৩,৮৮৪	৭৭৮,৩২৮	৭৬৬,০২৪	৭৭২,৭২৭
শেয়ার মূলধন	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪	৫৭,০২৪
শেয়ার প্রিমিয়াম	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮	২০৯,০৮৮
সংরক্ষণ এবং উদ্বৃত্ত	১৯২,৮১৬	২২৫,৯৩১	১৫২,৯৯৪	১৪৫,৭১৭	১৪১,৩৯২	১৩৯,০৭৯
শেয়ার মালিকদের ইকুইটি	৬১৯,৩৫৯	৬২২,৪৮৩	৫৬২,০৫২	৫১৭,৮৫৯	৫৫১,৪৪১	৪০৫,১৯১
দীর্ঘ মেয়াদী ঋণ	৫২,৫০০	৮২,৫০০	১২০,০০০	১৭৮,৩১৭	১৫৬,৬৮৭	১৬৪,৮৮৬

১৯. লভ্যাংশঃ

কোম্পানীর পরিচালকমন্ডলী ২০১৫-১৬ 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 ১৭, ২০১৬ ইং তারিখে কার্য সমাপ্ত সময়ে অর্ন্তভুক্ত থাকবে।

২০. বোর্ডের সভা

এ বৎসর বোর্ডের ৮ (আট) টি সভা অনুষ্ঠিত হয়েছে। পরিচালকগণের উপস্থিতির তালিকা নিম্নে প্রদত্ত হল:

পরিচালকবৃন্দের নাম	সভায় উপস্থিতি
জনাব জাফর আহমেদ	০৮
জনাব জহুর আহমেদ পিএইচডি	০৮
জনাব শাহরিয়ার আহমেদ	০৮
জনাব অসীম কুমার বড়ুয়া	০৮
জনাব কাজী ফারুক কাদের	০৮

২১. 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 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	-
জনাব এস. কে. হালদার	প্রধান অর্থ কর্মকর্তা	-
জনাব আশীষ কুমার পাল এফসিএ	অভ্যন্তরীণ নিরীক্ষা 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

২২. কোম্পানীর পরিচালকবৃন্দের নিয়োগ/পুনঃ নিয়োগ:

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

জনাব জহুর আহমেদ পিএইচডিঃ

ক) জনাব জহুর আহমেদ পিএইচডি, যুক্তরাষ্ট্র থেকে বায়োফিজিক্স এ ডক্টরেট ডিগ্রি অর্জন করেন এবং যুক্তরাষ্ট্রের বাফেলোয় স্টেট ইউনিভারসিটি অব নিউইয়র্ক এ সহযোগী অধ্যাপক হিসেবে কর্মরত ছিলেন। তিনি এই কোম্পানীর একজন পরিচালক এবং তিনি ১৯৯১ সাল থেকে এই শিল্প খাতে কাজ করিতেছেন। এই দীর্ঘ সময়ে তিনি এই শিল্প খাতে গভীর জ্ঞান অর্জন করেছেন। তিনি এখন এই কোম্পানীর সহ-সভাপতি।

খ) তিনি এই কোম্পানীর পরিচালক ছাড়াও ১. এপেক্স স্পিনিং এন্ড নীটিং মিলস্ লিমিটেড, ২. এপেক্স ল্যানজারী লিমিটেড, ৩. এপেক্স ইয়ার্ন ডাইং লিমিটেড, ৪. এপেক্স টেক্সটাইল প্রিটিং মিলস্ লিমিটেড ৫. এপেক্স ফ্যাশন ওয়ার লিমিটেড ও ৬. ম্যাটেক্স বাংলাদেশ লিমিটেড-এর পরিচালক পদে নিযুক্ত আছেন।

গ) বর্তমানে তিনি বোর্ডের কোন কমিটির সদস্য নয়।

জনাব শাহরিয়ার আহমেদঃ

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

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

জনাব কাজী ফারুক কাদের এর বিস্তারিত বিবরণ নিম্নরূপঃ

- 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 লিমিটেডেরও স্বতন্ত্র পরিচালক পদে নিযুক্ত আছেন।
- ঘ) বর্তমানে জনাব কাদের অডিট কমিটির চেয়ারম্যান।

২৩. নিরীক্ষকঃ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের আদেশ অনুযায়ী বর্তমান নিরীক্ষক মেসার্স হুসাইন ফরহাদ এন্ড কোম্পানী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ পর পর তিন বৎসর নিরীক্ষা কার্য সম্পাদন করেছেন বিধায় অবসর গ্রহণ করছেন। যোগ্য বিধায় ২০১৬-২০১৭ হিসাব বৎসরের জন্য মেসার্স মালেক সিদ্দিক ওয়ালী, চার্টার্ড এ্যাকাউন্ট্যান্টস্ তাহাদেরকে নিরীক্ষক নিয়োগের জন্য প্রস্তাব করেছেন।

২৪. কর্পোরেট গভর্নেন্স কমপ্লায়েন্স প্রতিবেদনঃ

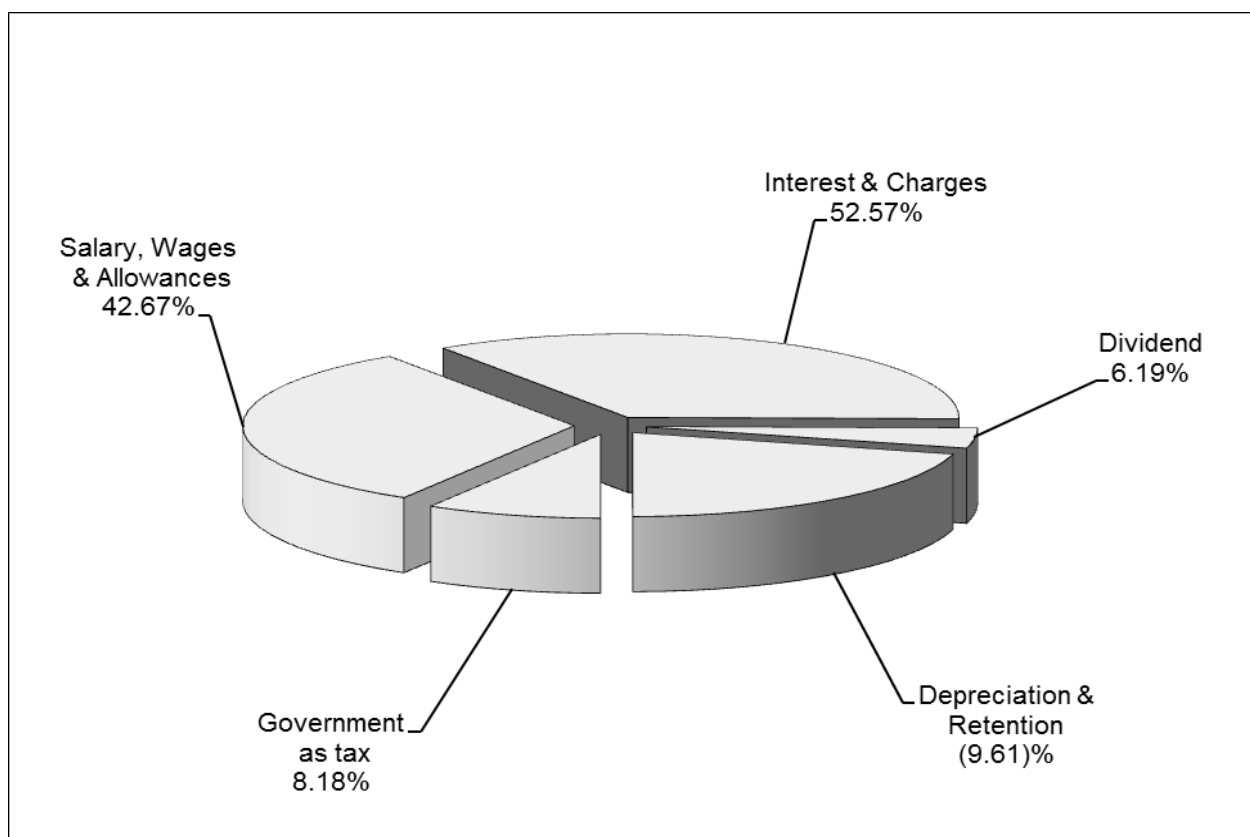
বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের চাহিদা অনুযায়ী কর্পোরেট গভর্নেন্স প্রতিবেদন সংযুক্ত করা হলো।

ঢাকা
২৭ অক্টোবর, ২০১৬

বোর্ডের পক্ষে
স্বা/-
জাফর আহমেদ
সভাপতি

VALUE ADDED STATEMENT

PARTICULARS	2015-16	%	2014-15	%
VALUE ADDED				
Revenue	2,031,946,945		2,751,779,885	
Less: Bought in Materials & Services	1,847,651,058		2,580,738,324	
	-----		-----	
	184,295,887		171,041,561	
	=====		=====	
APPLICATIONS				
Government as Tax	15,076,201	8.18	25,132,945	14.69
Employees as Salary Wages & Allowances	78,649,465	42.67	94,033,288	54.98
Providers of Loan as Interest & Charges	96,886,161	52.57	101,765,185	59.50
Providers of Capital as Dividend	11,404,800	6.19	11,404,800	6.67
Depreciation & Retention	(17,720,740)	(9.61)	(61,294,657)	(35.84)
	-----	-----	-----	-----
	184,295,887	100.00	171,041,561	100.00
	=====	=====	=====	=====



Independent Auditor's Report

to the Shareholders of APEX FOODS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Apex Foods Limited ("the Company") which comprise the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS), other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Apex Foods Limited as at 30 June 2016, and of its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and 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 purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the 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 account; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated; Dhaka
October 27, 2016

Sd/-
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT 30TH JUNE, 2016

	NOTES	30.06.2016	Value in Taka 30.06.2015
ASSETS			
Non-Current Assets:			
Property, Plant and Equipment	2	131,304,818	155,016,900
Investments	3	223,506,818	175,689,594
		354,811,636	330,706,494
Current Assets:			
Inventories	4	658,163,316	906,868,231
Trade Receivables	5	38,621,067	-
Advance, Deposits & Prepayments	6	26,551,657	139,965,723
Other Receivables	7	130,296,148	84,081,039
Short Term Investments	8	326,190,639	314,006,675
Cash & Cash Equivalents	9	10,875,718	4,318,400
		1,190,698,545	1,449,240,068
TOTAL ASSETS		<u>1,545,510,181</u>	<u>1,779,946,562</u>
EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share Capital	10	57,024,000	57,024,000
Share Premium	11	209,088,000	209,088,000
Reserve and Surplus	12	192,815,966	225,931,381
Fair valuation Surplus	13	160,431,452	130,439,944
		619,359,418	622,483,325
Non-Current Liabilities:			
Deferred Tax Liabilities	14	20,549,666	199,603
Long Term Loan	15	22,500,000	52,500,000
		43,049,666	52,699,603
Current Liabilities:			
Working Capital Loan (Secured)	16	712,860,848	794,270,004
Long Term Loan-Current Maturity	17	30,000,000	30,000,000
Short term Loan	18	65,871,088	52,627,377
Trade Payables	19	27,740,829	61,893,746
Other Payables	20	20,428,089	24,688,471
Current Tax Liability	21	19,982,054	136,051,951
Other Liabilities	22	6,218,189	5,232,085
		883,101,097	1,104,763,634
Total Liabilities		<u>926,150,763</u>	<u>1,157,463,237</u>
TOTAL EQUITY AND LIABILITIES		<u>1,545,510,181</u>	<u>1,779,946,562</u>
Net Asset Value Per Share		108.61	109.16

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 27, 2016

Sd/-
Hussain Farhad & Co.
Chartered Accountants

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2016**

		Value in Taka	
	NOTES	2015-16	2014-15
REVENUE	23	2,031,946,945	2,751,779,885
Cost of goods sold	24	(1,840,425,960)	(2,534,570,075)
GROSS PROFIT		191,520,985	217,209,810
OPERATING EXPENSES:		(212,321,398)	(270,735,165)
Administrative & selling overhead	28	(115,435,237)	(168,969,980)
Financial expenses	29	(96,886,161)	(101,765,185)
OPERATING PROFIT/(LOSS)		(20,800,413)	(53,525,355)
Other income	30	30,566,537	183,855,603
PROFIT BEFORE PPF & WF		9,766,124	130,330,248
Provision for contribution to PPF & WF	31	(488,306)	(6,516,512)
PROFIT BEFORE TAX		9,277,818	123,813,736
Tax expenses:	32		
Current tax		(19,982,054)	(38,787,121)
Deferred tax (expenses)/income		(2,524,346)	(184,081)
NET PROFIT/(LOSS) AFTER TAX		(13,228,582)	84,842,534
Other comprehensive income:			
Fair valuation surplus/(deficit) of investment	13	43,035,502	(13,006,024)
TOTAL COMPREHENSIVE INCOME		29,806,920	71,836,510
Earnings Per Share (EPS)	33	<u>(2.32)</u>	<u>14.88</u>

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 27, 2016

Sd/-
Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2016

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2015	57,024,000	209,088,000	51,162,905	174,161,476	607,000	130,439,944	622,483,325
Net profit after tax of 2015-16	-	-	-	(13,228,582)	-	-	(13,228,582)
Final dividend for the year 2014-15	-	-	-	(11,404,800)	-	-	(11,404,800)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	43,035,502	43,035,502
Prior years' adjustment*	-	-	-	(8,482,033)	-	(13,043,994)	(21,526,027)
As at 30th June 2016	57,024,000	209,088,000	51,162,905	141,046,061	607,000	160,431,452	619,359,418

* Please refer to Note No. 34

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2015

Value in Taka

Particulars	Share Capital	Share Premium	Tax Holiday Reserve	Retained Earnings	Capital Gain	Fair Valuation Surplus	Total
As at 30th June 2014	57,024,000	209,088,000	51,162,905	100,723,742	607,000	143,445,968	562,051,615
Net profit after tax of 2014-15	-	-	-	84,842,534	-	-	84,842,534
Final dividend for the year 2013-14	-	-	-	(11,404,800)	-	-	(11,404,800)
Fair valuation surplus/(deficit) of Investments	-	-	-	-	-	(13,006,024)	(13,006,024)
As at 30th June 2015	57,024,000	209,088,000	51,162,905	174,161,476	607,000	130,439,944	622,483,325

Annexed notes form an integral part of these Financial Statements.

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Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 27, 2016

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Hussain Farhad & Co.
Chartered Accountants

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30TH JUNE, 2016

	2015-16	Value in Taka 2014-15
CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from revenue	1,993,325,878	2,781,689,604
Other income	31,201,552	26,901,664
Interest and other financial charges paid	(104,269,910)	(101,765,185)
Income tax paid	(23,488,428)	(36,930,627)
Payment for costs and expenses	(1,763,403,057)	(2,707,769,843)
Net cash generated from / (used) in operating activities (a)	133,366,035	(37,874,387)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment acquired	(6,040,612)	(18,469,980)
Sale of immovable properties	-	158,606,660
Short term investments	(12,183,964)	(99,198,822)
Net cash generated from / (used) in investing activities (b)	(18,224,576)	40,937,858
CASH FLOWS FROM FINANCING ACTIVITIES:		
Working capital loan received / (repaid)	(81,409,156)	60,385,564
Long term loan received / (repaid)	(30,000,000)	(37,500,000)
Short term loan received / (repaid)	13,243,711	(38,135,855)
Dividend Paid	(10,418,696)	(10,736,828)
Net cash used in financing activities (c)	(108,584,141)	(25,987,119)
Net increase / (decrease) in cash and cash equivalents (a+b+c)	6,557,318	(22,923,648)
Cash and cash equivalents on opening	4,318,400	27,242,048
Cash and cash equivalents on closing	10,875,718	4,318,400
Net operating cash flow per share	23.39	(6.64)

Annexed notes form an integral part of these Financial Statements.

Sd/-
Shahriar Ahmed
Managing Director

Sd/-
Ashim Kumar Barua
Director

Sd/-
S. K. Halder
Chief Financial Officer

Signed in terms of our report of even date.

Dated; Dhaka
October 27, 2016

Sd/-
Hussain Farhad & Co.
Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2016 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

a. Legal Form of the Enterprise:

Apex Foods Limited is a Public Limited Company registered under the Companies Act, 1913 (Repealed in 1994). The Company was incorporated in Bangladesh on 21.03.1979. Shares of the Company are listed in the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

b. Address of Registered Office and Factory:

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

c. Nature of Business Activities:

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

d. Accounting Convention and Basis:

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

e. Application of Bangladesh Accounting Standards (BAS):

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

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

f. Compliance with local laws:

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

g. Compliance with Bangladesh Accounting Standard (BAS):

The Financial Statements have been prepared in compliance with requirements of BAS's.

h. Property, Plant and Equipment:

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

i. Depreciation 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 BAS 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 available for use. Depreciation is provided on all fixed assets except land 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 %

j. 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 2015-16.

k. Inventories:

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

l. Taxation:

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

m. 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 25% on business profit or tax deducted at source @ 0.60% on export proceeds or tax on gross receipts 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.

n. Deferred Tax:

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

o. Trade Receivables:

Export bills receivables are stated at the original invoice value.

p. Creditors and Accrued Expenses:

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

q. Earning Per Share:

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

i. Basic Earnings

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

ii. Weighted Average Number of Ordinary Shares Outstanding During The Year

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

iii. Basic Earnings Per Share

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

iv. Diluted Earnings Per Share

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

r. Statement of Cash Flows:

Statement of Cash Flows has been prepared in accordance with BAS 7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987 and considering the provisions of paragraph 19 of BAS 7 which provides that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".

s. Foreign Exchange:

Foreign currencies are converted into Bangladesh Taka at the rates ruling on the date of transaction and the balance in hand at the close of the business, at the rate prevailing on the Balance Sheet date in accordance with BAS 21 “The Effects of Changes in Foreign Exchange Rates”.

t. Revenue Recognition:

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

u. 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.

v. Contribution to PPF & WF:

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

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

Preparation of Financial Statements in conformity with the Bangladesh Accounting Standards requires management to make estimates and assumption that 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.

x. Financial Risk Management:

The company management has overall responsibility for the establishment and oversight of the company's risk management frame-work. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

Credit risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Risk exposures from other financial assets, i.e. cash at bank and other external receivable are nominal.

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 (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 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.

Market risk:

Market risk is the risk that any change in market prices such as foreign exchange rates and interest 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.

(a) Currency risk:

As at 30th June 2016 there was no exposure of currency risk which significantly affected the foreign currency transactions made during the year under review.

(b) 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.

y. Comparative information:

Comparative information have been disclosed in respect of the year 2014-15 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.

z. Reporting currency and level of precision:

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

aa. Reporting period:

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

bb. Others:

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

- i) Statement of Financial Position as at 30th June 2016.
- ii) Statement of profit or loss and other Comprehensive Income for the year ended 30th June 2016.
- iii) Statement of Changes in Equity for the year ended 30th June 2016.
- iv) Statement of Cash Flows for the year ended 30th June 2016.
- v) Notes to the financial statements.

2. PROPERTY, PLANT AND EQUIPMENT: TK. 131,304,818

SL NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V. as at 30.06.16
		Balance as at 01.07.15	Addition during the year	Balance as at 30.06.16		Balance as at 01.07.15	For the year	Balance as at 30.06.16	
1	Land & Land Development	3,392,470	-	3,392,470		-	-	-	3,392,470
2	Factory Building	94,121,823	1,615,214	95,737,037	20	74,993,059	3,919,082	78,912,141	16,824,896
3	Plant & Machinery	498,068,022	4,155,833	502,223,855	20	382,004,101	23,336,906	405,341,007	96,882,848
4	Factory Equipment	36,021,109	461,784	36,482,893	20	28,567,032	1,536,232	30,103,264	6,379,629
5	Furniture & Fixture	14,284,162	22,988	14,307,150	10	8,810,367	548,387	9,358,754	4,948,396
6	Office Equipment	15,188,161	78,670	15,266,831	20	12,726,626	499,497	13,226,123	2,040,708
7	Motor Vehicles	16,945,243	-	16,945,243	20	15,980,605	192,928	16,173,533	771,710
8	Crockerries	284,829	2,408	287,237	20	207,129	15,947	223,076	64,161
	Total	678,305,819	6,336,897	684,642,716		523,288,919	30,048,979	553,337,898	131,304,818

Charged to:

Cost of Production	28,792,220
Administrative & selling overhead	<u>1,256,759</u>
	<u>30,048,979</u>

PROPERTY, PLANT AND EQUIPMENT FOR 2014-15

SL NO.	PARTICULAR	COST			RATE %	DEPRECIATION			W.D.V. as at 30.06.15
		Balance as at 01.07.14	Addition during the year	Balance as at 30.06.15		Balance as at 01.07.14	For the year	Balance as at 30.06.15	
1	Land & Land Development	3,392,470	-	3,392,470		-	-	-	3,392,470
2	Factory Building	88,982,249	5,139,574	94,121,823	20	70,814,189	4,178,870	74,993,059	19,128,764
3	Plant & Machinery	487,005,595	11,062,427	498,068,022	20	354,130,544	27,873,557	382,004,101	116,063,921
4	Factory Equipment	35,483,612	537,497	36,021,109	20	26,766,985	1,800,047	28,567,032	7,454,077
5	Furniture & Fixture	13,208,020	1,076,142	14,284,162	10	8,231,687	578,680	8,810,367	5,473,795
6	Office Equipment	14,688,761	499,400	15,188,161	20	12,132,409	594,217	12,726,626	2,461,535
7	Motor Vehicles	16,945,243	-	16,945,243	20	15,739,445	241,160	15,980,605	964,638
8	Crockerries	261,379	23,450	284,829	20	188,705	18,424	207,129	77,700
	Total	659,967,329	18,338,490	678,305,819		488,003,964	35,284,955	523,288,919	155,016,900

Charged to:

Cost of Production	33,852,474
Administrative & selling overhead	<u>1,432,481</u>
	<u>35,284,955</u>

	<u>30.06.2016</u>	<u>30.06.2015</u>
3. INVESTMENTS: TK. 223,506,818		
In Shares:		
Apex Spinning & Knitting Mills Limited (2,263,200 Shares of Tk. 10.00 each)	209,889,168	161,071,944
Apex Weaving & Finishing Mills Limited (2,000,000 Shares of TK. 10.00 each)	11,000,000	12,000,000
Amam Sea Food Industries Limited (10,482 Shares of Tk. 100.00 each at par)	1,048,200	1,048,200
Central Depository Bangladesh Limited (571,181 Shares of Tk. 10/- each including 414,236 Bonus Shares and 56,945 Right Shares @ Tk. 10/- each.)	1,569,450	1,569,450
	<u>223,506,818</u>	<u>175,689,594</u>
	=====	=====

- Investments in shares of Apex Spinning & Knitting Mills Limited and Apex Weaving & Finishing Mills Limited have been valued at market price on 30.06.2016 as per BAS 39.
- As the shares of Amam Sea Food Industries Limited have not traded during the year under review and the last trade date was on 24.02.2009, the price has been shown at face value.
- Investment in Apex Weaving & Finishing Mills Ltd. is under litigation. As the issue is under litigation, no dividend has yet been accounted for.

Market Price of Listed Companies Shares (As on 30.06.16)

Apex Spinning & Knitting Mills Ltd. (Last trade date 30.06.2016)	92.74	71.17
Apex Weaving & Finishing Mills Ltd. (Last trade date 15.06.2016)	5.50	6.00
Amam Sea Food Industries Ltd. (Last trade date 24.02.2009)	220	220

4. INVENTORIES: TK. 658,163,316

	Qty. in Kg.		
Shrimps (Finished Goods)	658,526	645,763,458	895,526,803
Packing Materials	-	9,250,947	8,661,731
Chemical & Ingredients		3,148,911	2,679,697
	<u>658,526</u>	<u>658,163,316</u>	<u>906,868,231</u>
	=====	=====	=====

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

5. TRADE RECEIVABLES: TK. 38,621,067

Export Bills Receivable	<u>38,621,067</u>	-
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- The closing conversion rate was Tk. 77.90.
- The ageing of the trade receivables are maximum 25 (Twenty five) days and these are considered good and subsequently realized in full.

	<u>30.06.2016</u>	<u>30.06.2015</u>
6. ADVANCES, DEPOSITS AND PREPAYMENTS: TK. 26,551,657		
Advance against expenses	141,921	47,758
Security Deposits	5,118,616	5,118,616
Prepayments	1,863,070	1,520,629
Advance Income Tax	19,428,050	133,089,857
L/C margin with Agrani Bank Limited	-	188,863
	<u>26,551,657</u>	<u>139,965,723</u>

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

7. OTHER RECEIVABLES: TK. 130,296,148

Insurance Claim Receivable	16,254,727	16,254,727
Cash Incentive Receivable	104,289,167	57,439,043
FDR's Interest Receivable	<u>9,752,254</u>	<u>10,387,269</u>
	130,296,148	84,081,039

- 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 30.06.2016.

8. SHORT TERM INVESTMENTS: TK. 326,190,639

FDRs with Dhaka Bank Ltd., Foreign Exchange Br., Dhaka	304,590,639	294,006,675
FDRs with Agrani Bank Ltd, Agrabad Corporate Br., Chittagong.	<u>21,600,000</u>	<u>20,000,000</u>
	326,190,639	314,006,675

9. CASH AND CASH EQUIVALENTS: TK. 10,875,718

Cash in Hand:

Head Office	19,746	112,327
Factory Office	76,849	32,041
	96,595	144,368

Cash at Bank with:

Agrani Bank Ltd., ESA A/C, Agrabad Corporate Br. Chittagong.	91,159	128,234
Agrani Bank Ltd., FC A/C, Agrabad Corporate Br. Chittagong.	6,903,271	1,216,407
Arab Bangladesh Bank Ltd. CD A/C, Principal Br, Dhaka.	620,496	622,731
Eastern Bank Ltd., SND A/C Principal Branch, Dhaka	10,195	86,532
The Hongkong & Shanghai Banking Corporation, CD A/C Dhaka	98,251	25,672
The Hongkong & Shanghai Banking Corporation, CD A/C Dhaka	3,052,617	2,090,173
Dhaka Bank Ltd. CD A/C, Foreign Exchange Br, Dhaka.	3,134	4,283
	<u>10,779,123</u>	<u>4,174,032</u>
	10,875,718	4,318,400

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

	<u>30.06.2016</u>	<u>30.06.2015</u>
10. 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 =====

- There was no preference share issued by the Company.

Composition of Shareholdings (As on 30.06.2016):

Sponsors & Directors	38.96%	38.96%
Institutions	7.30%	17.97%
Public - Local	53.74%	43.07%
	-----	-----
	100.00% =====	100.00% =====

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

<u>No. of Share Holders</u>	<u>Range</u>	<u>Total Holdings</u>	<u>In %</u>
2,530	Less than & equal 500 Shares	359,521	6.31
620	501 to 5,000 Shares	971,360	17.04
48	5,001 to 10,000 Shares	351,893	6.17
28	10,001 to 20,000 Shares	378,678	6.64
8	20,001 to 30,000 Shares	193,487	3.39
3	30,001 to 40,000 Shares	102,224	1.79
1	40,001 to 50,000 Shares	46,223	0.81
1	50,001 to 100,000 Shares	52,450	0.92
4	100,001 to 200,000 Shares	539,604	9.46
3	Over 200,000 Shares	2,706,960	47.47
-----		-----	-----
3,246		5,702,400	100.00
=====		=====	=====

	<u>30.06.2016</u>	<u>30.06.2015</u>
11. 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.

12. RESERVE AND SURPLUS: TK. 192,815,966

- This represents the following:

Reserve for Re-investment	51,162,905	51,162,905
Retained Earnings	141,046,061	174,161,476
Capital Gain	607,000	607,000
	192,815,966	225,931,381
	=====	=====

- 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.

13. FAIR VALUATION SURPLUS OF INVESTMENT: TK 160,431,452

Opening Balance	130,439,944	143,445,968
Adjustment for fair valuation surplus/(deficit) during the year	47,817,224	(13,006,024)
Less: Deferred Tax @10%	(4,781,722)	-
Fair valuation surplus/(deficit) during the year	43,035,502	(13,006,024)
Less: Prior years' adjustment for deferred tax	(13,043,994)	-
	160,431,452	130,439,944
	=====	=====

- 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.

14. DEFERRED TAX LIABILITIES: TK. 20,549,666

Deferred tax liabilities	20,549,666	199,603
	20,549,666	199,603
	=====	=====

- 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 Investment as per BAS 12.

15. LONG TERM LOAN: TK. 22,500,000

Term Loan	22,500,000	52,500,000
	22,500,000	52,500,000
	=====	=====

- Term loan received from Agrani Bank Limited at 8% interest rate p.a.

	<u>30.06.2016</u>	<u>30.06.2015</u>
16. WORKING CAPITAL LOAN (SECURED): TK. 712,860,848		
Against Hypothecation from Agrani Bank Limited, Agrabad Corporate Branch, Chittagong	96,789,488	176,478,084
Against Pledge of Finished Goods from Agrani Bank Ltd. Agrabad Corporate Branch, Chittagong	616,071,360	617,791,920
	<u>712,860,848</u>	<u>794,270,004</u>
	=====	=====

- The Working Capital Loan was taken from Agrani Bank Limited, Agrabad Corporate Branch, Jahan Building, Agrabad C/A, Chittagong, which is fully secured against 1st charge on Land, Building, Plant & Machinery and all other Assets of the Company and Pledge of Finished Goods.
- The Company has Cash Credit facilities of Tk. 78.00 Crore (Hypothecation Tk. 18.00 Crore & Pledge of finished goods Tk. 60.00 Crore) which has been fully availed. Apart from this, the Company has no such other credit facilities. The Loan bears interest @ 10.50% p.a.

17. LONG TERM LOAN-CURRENT MATURITY: TK. 30,000,000

Long Term Loan	30,000,000	30,000,000
	<u>30,000,000</u>	<u>30,000,000</u>
	=====	=====

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

18. SHORT TERM LOAN: TK. 65,871,088

Dhaka Bank Limited	65,871,088	52,627,377
	<u>65,871,088</u>	<u>52,627,377</u>
	=====	=====

- Loan from Dhaka Bank Limited, Foreign Exchange Branch, Dhaka against lien on FDRs and the loan bear average interest @ 10.88% p.a.

19. TRADE PAYABLES: TK. 27,740,829

Shrimp Purchased	27,740,829	61,893,746
	=====	=====

- 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>30.06.2016</u>	<u>30.06.2015</u>
20. OTHER PAYABLES: TK. 20,428,089		
Advance against export	6,583,329	-
Audit Fees including VAT	172,500	115,000
Chemicals	6,290	3,480
Clearing & Forwarding	198,982	282,706
Consumable Stores	156,954	142,086
Contribution to PPF & WF	488,306	6,516,512
Directors Remuneration	-	300,000
Entertainment	-	6,162
Factory Building	50,000	157,128
Factory Equipment	120,300	117,009
Ice	868,000	794,990
Laboratory Expenses	20,300	83,340
Legal Fees	-	4,600
License & Renewal fees	3,450	-
Newspaper & Periodicals	3,760	-
Packing Materials	8,591,061	7,374,608
Plant & Machinery	400,122	-
Postage & Stamp	-	15,983
Power, Fuel and Water	190,000	52,959
Printing & Stationery	5,860	30,776
Repairs (Factory Building)	35,180	60,429
Repairs (Machinery & Equipment)	540,738	733,163
Rent Rates & Taxes	-	228,495
Salary & Allowances	1,456,915	1,507,849
Sales Promotion Expenses	199,401	221,075
Sanitation	19,624	82,095
Shrimp Processing Ingredients	-	81,000
Staff income tax	56,448	172,640
Staff Welfare	113,093	158,357
Survey Fees & Inspection	24,600	20,028
TA & Conveyance	11,900	-
Tax Deduction at Source	-	5,194
Telephone	20,300	41,010
Uniform & Liveries	-	26,652
Vehicle Maintenance	44,227	187,236
Wages & Salaries	46,449	5,165,909
	<u>20,428,089</u>	<u>24,688,471</u>
	=====	=====

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

21. CURRENT TAX LIABILITY: TK. 19,982,054

Income tax liability	19,982,054	136,051,951
	=====	=====

- This represents the tax liability for the year 2015-16. Assessments have been completed up to 2014-15 and assessment figures (Liability/Advance) has been adjusted with the Accounts.

	<u>30.06.2016</u>	<u>30.06.2015</u>
22. OTHER LIABILITIES: TK. 6,218,189		
Unclaimed Dividend	6,218,189 =====	5,232,085 =====

- Unclaimed dividend represents the dividend warrants of Tk. 6,218,189/- not presented to Bank by the Shareholders within June 30, 2016. The details of unclaimed dividend as on 30.06.2016 is as under:

<u>Year</u>	<u>Taka</u>
Up to 2011-12	3,914,252.00
2012-13	610,338.00
2013-14	687,387.00
2014-15	<u>1,006,212.40</u>
	<u>6,218,189.40</u>

		<u>2015-16</u>	<u>2014-15</u>
23. REVENUE: TK. 2,031,946,945			
Export of Shrimps	<u>Qty. in Kg.</u> 2,605,378 2,605,378 =====	<u>US\$</u> 26,179,184 26,179,184 =====	<u>2,031,946,945</u> 2,031,946,945 =====
			<u>2,751,779,885</u> 2,751,779,885 =====

- Country wise break up of the Export for the year 2015-16

<u>Name of the Countries</u>	<u>Quantity in KG</u>	<u>USD</u>
Australia	92,000	1,087,184
Belgium	525,610	5,179,296
Canada	154,814	2,096,210
China	9,000	96,800
Germany	328,450	2,765,605
Lebanon	12,300	124,415
Netherlands	596,326	5,232,539
Portugal	18,650	216,340
Russia	367,912	2,970,659
Spain	40,180	362,362
UK	61,560	235,650
USA	<u>398,576</u>	<u>5,812,124</u>
	<u>2,605,378</u>	<u>26,179,184</u>

24. COST OF GOODS SOLD: TK. 1,840,425,960

	<u>Qty. in Kg.</u>	<u>Notes</u>		
Opening Stock of Finished Goods	958,468		895,526,803	795,188,516
Add: Cost of Production	<u>2,305,436</u>	25	<u>1,590,662,615</u>	<u>2,634,908,362</u>
	3,263,904		2,486,189,418	3,430,096,878
Less: Closing Stock of Finished Goods	<u>658,526</u>		<u>645,763,458</u>	<u>895,526,803</u>
	2,605,378 =====		1,840,425,960 =====	2,534,570,075 =====

	<u>2015-16</u>	<u>2014-15</u>
25. COST OF PRODUCTION: TK. 1,590,662,615		
	<u>Qty. in Kg.</u>	<u>Notes</u>
Shrimp Purchased	2,479,354	1,416,153,969
Packing Materials, Chemicals, Ice and Ingredients consumed	26	66,930,508
Direct Labor		22,513,090
Factory Overhead	27	56,272,828
Depreciation		28,792,220
	=====	=====
	1,590,662,615	2,634,908,362
	=====	=====
• Cash incentive adjusted with the raw materials purchase.		
26. PACKING MATERIALS, CHEMICALS, ICE & INGREDIENTS CONSUMED: TK. 66,930,508		
Opening Balance (Packing Materials)	8,661,731	12,223,573
Add: Packing Materials Purchase	52,881,669	55,253,708
	=====	=====
	61,543,400	67,477,281
Less: Packing Materials in hand	9,250,947	8,661,731
	=====	=====
	52,292,453	58,815,550
	=====	=====
Opening balance (Chemical & Ingredients)	2,679,697	4,000,919
Add: Chemicals, Ice and Ingredients Purchase	15,107,269	13,137,655
	=====	=====
	17,786,966	17,138,574
Less: Chemical and Ingredients in hand	3,148,911	2,679,697
	=====	=====
	14,638,055	14,458,877
	66,930,508	73,274,427
	=====	=====
27. FACTORY OVERHEAD: TK. 56,272,828		
Wages & Salaries	25,068,003	23,183,985
Bonus to Workers'	765,825	550,962
Power, Fuel & Water	19,883,524	15,468,064
Consumable Stores & Spares	999,112	1,536,619
Insurance premium	2,434,526	2,417,561
Repair & Maintenance	7,067,223	4,873,543
Carriage Inward	54,615	94,286
	=====	=====
	56,272,828	48,125,020
	=====	=====

	<u>2015-16</u>	<u>2014-15</u>
28. ADMINISTRATIVE AND SELLING OVERHEAD: TK. 115,435,237		
Advertisement	492,195	398,472
AGM Expenses	88,245	100,492
Audit Fee (Including VAT)	172,500	115,000
Board meeting fees	20,000	17,500
Bonus to Staff	3,651,657	2,513,748
Contribution to Provident Fund	1,639,584	1,513,095
Depreciation	1,256,759	1,432,481
Directors Remuneration	9,000,000	9,000,000
Donation & Subscription	121,350	78,568
Electricity & WASA Charges	361,544	152,122
Entertainment	644,653	503,830
Freight & Forwarding	32,890,309	49,118,892
General Fees & Charges	50,000	118,650
Guest House Expenses	632,933	616,292
Laboratory Expenses	177,960	177,240
Laboratory Testing Fees	5,039,985	6,379,331
Legal & Professional Fees	55,200	1,249,100
License & renewals	860,582	925,526
Medical Expenses	9,358	9,357
Membership Subscription	60,800	45,800
Newspaper & Periodicals	64,405	57,217
Postage & Stamp	443,327	461,080
Printing & Stationery	775,840	790,171
Rejection Insurance Premium	1,404,518	9,735,922
Rent, Rates & Taxes	2,702,138	2,895,865
Salary & Allowances	24,523,001	25,423,112
Sales Commission	11,245,846	36,994,790
Sales Promotion Expenses	10,583,684	12,155,780
Sanitation Expenses	173,230	345,202
Staff fooding	537,447	554,121
Staff Welfare Expenses	1,030,937	879,881
T.A & Conveyance	1,662,969	1,358,661
Telephone, Telex & Fax	572,704	588,286
Uniform & Liveries	323,628	374,677
Vehicles Maintenance	2,165,949	1,889,719
	-----	-----
	115,435,237	168,969,980
	=====	=====

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

(a) Mr. Zafar Ahmed	4,800,000
(b) Mr. Ashim Kumar Barua	3,600,000
(c) Mr. Kazi Faruq Kader	600,000
	<u>9,000,000</u>
- Audit Fee is fixed by the Shareholders in the Annual General Meeting and does not include any other remuneration to Auditors.
- Sales promotional expenses include cost of samples and courier cost for distribution of free samples to the buyers.
- There are 8(Eight) Board Meetings held during the year.

	<u>2015-16</u>	<u>2014-15</u>
29. FINANCIAL EXPENSES: TK. 96,886,161		
Interest	91,251,511	92,560,811
Charges	<u>5,634,650</u>	<u>9,204,374</u>
	96,886,161	101,765,185
	=====	=====
30. OTHER INCOME: TK. 30,566,537		
Dividend Income:		
Dividend from Apex Spinning & Knitting Mills Ltd	4,526,400	4,526,400
Dividend from CDBL	<u>1,427,953</u>	<u>1,427,953</u>
	5,954,353	5,954,353
Interest Earned on FDRs and STD Account	24,612,184	31,334,580
Profit on sale of immovable properties (land)	-	146,566,670
	-----	-----
	30,566,537	183,855,603
	=====	=====

31. PROVISION FOR CONTRIBUTION TO PPF & WF: TK. 488,306

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

32. TAX EXPENSES:

(a) Current Tax	19,982,054
(b) Deferred Tax	2,524,346

- Current tax represents estimated Income Tax for the period from 1st July 2015 to 30th June 2016.
- The provision for deferred tax expenses/income is made to pay/adjust future income tax liability/asset due to accumulated temporary differences.

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

$$\text{Basic EPS} = \frac{\text{Earnings attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the year 2015-16}}$$

$$\text{Earnings Per Share (EPS)} = \frac{(13,228,582)}{5,702,400} = (2.32)$$

- 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 no significant variance occurs between quarterly performance and annual financial statements.

34. PRIOR YEARS' ADJUSTMENT: TK. 21,526,027

The prior years' adjustment represents the following:

a) Bank deducted tax on sales commission	7,383,749
b) Tax assessment effect up to Accounting Year 2014-15	1,098,284
c) Tax on fair valuation surplus of investments as per BAS 12	<u>13,043,994</u>
	<u>21,526,027</u>

35. EVENTS AFTER REPORTING PERIOD:

The Board of Directors recommended cash Dividend of Tk. 2/- per Share for the year 2015-16 at the Board meeting held on October 27, 2016. 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.

36. RELATED PARTY TRANSACTIONS:

- There are no related party transactions during the year under review.
- The Company is paying Remuneration of our Directors who are rendering full time service to the Company and in addition to that there is nothing paid to them (Note No. 28 for details).
- The Company operates a contributory provident fund which is administrated by the Board of Trustee. The Company has also a Group Insurance Scheme. The Company pays its monthly contribution for the Key Management (Senior Employees) 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 (Senior Employees) and the Company has no liability. In addition to that there is nothing paid to them except salary and allowances.

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

	<u>2015-16</u>		<u>2014-15</u>	
Installed Capacity	7,200	%	7,200	%
Actual Capacity utilized	2,305	32.01	2,994	41.58
Variation	<u>4,895</u>		<u>4,206</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	2,305,436	2,993,979
	<u>2,305,436</u>	<u>2,993,979</u>
	=====	=====

(c) Export (Quantity in Kg):

Shrimps	2,605,378	2,761,356
	<u>2,605,378</u>	<u>2,761,356</u>
	=====	=====

(d) Consumption (Value in Taka):

<u>Items</u>	<u>Value</u>	<u>Consumption</u> %
Local Shrimps	1,416,153,969	95.49
Local Packing Materials, Chemicals, Ice & Ingredients	66,930,508	4.51

(e) Salaries & Wages:

	<u>No. of Employees</u>	<u>Taka</u>
Up to Tk. 3,000.00 per month	-	-
Above Tk. 3,000.00 per month (Including Master Role Workers)	224	55,648,070
	224	55,648,070
	===	=====

38. PAYMENTS /PERQUISITES TO DIRECTORS/OFFICERS:

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

	<u>Directors</u>	<u>Officers</u>
Board Meeting Fee	20,000	--
Salary and Allowance	9,000,000	21,380,491
Provident Fund Contribution	--	1,079,226
Bonus	--	1,920,625
Perquisites	--	11,290,536

39. CAPITAL EXPENDITURE COMMITMENT:

- There was no capital expenditure contracted or incurred or provided for as at 30th June 2016.
- There was no material capital expenditure authorized by the Board or contracted for as at 30th June 2016.

40. 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 2015-16.
- 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 2016.
- There was no credit facility available to the Company under any contract or availed of as on 30th June 2016 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/-
S. K. Halder
Chief Financial Officer

PROXY FORM

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

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

I/We.....
of.....
Being a member of APEX FOODS LIMITED hereby appoints
Mr./Mrs./Miss.....
of.....
as my/our proxy to attend and vote for me/us and on my/our behalf at the THIRTY-SEVENTH ANNUAL GENERAL MEETING of the Company will be held at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206 on Thursday the December 22, 2016 at 11.00 A.M. and or at any adjournment thereof. Signed this.....day of.....2016.

**AFFIX
TWENTY
TAKA
REVENUE
STAMP**

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

Signature verified

Authorized Signatory

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

Note: A member entitled to attend and vote at the Annual General Meeting may appoint only another member as proxy to attend and vote in his/her stead. The Proxy Form duly stamped with Revenue Stamp of Tk. 20.00 only, must be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting.

APEX FOODS LIMITED

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

SHAREHOLDERS' ATTENDANCE SLIP

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

I/We record my attendance at the THIRTY-SEVENTH ANNUAL GENERAL MEETING being held on Thursday the December 22, 2016 at 11.00 A.M. at the Trust Milonayaton, 545 Puraton Biman Bandar Sarak (Adjacent to Shahid Bir Shresta Jahangir Gate), Dhaka Cantonment, Dhaka-1206.

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

Signature of Shareholder(s)

- N.B. :**
- (1) Please Note that AGM can only be attended by the honorable Shareholders or properly constituted Proxy. Therefore, any friend or children accompanying with honorable Shareholders or Proxy cannot be allowed into the meeting.
 - (2) Please present this slip at the reception desk.