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Transmittal Letter

To

The Honorable 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 30th June, 2022.

Dear Sir,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements for the year ended 30th June, 2022 along with the Auditor's Report and Director's Report for your record.

Yours Sincerely.



Md. Mahbubur Rahman
Company Secretary

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the Shareholders of Active Fine Chemicals Limited will be held on Thursday, 29th December 2022 at 9.00 A.M through Digital Platform Link: **https://afcl2022.digitalagmbd.net** (in pursuant to the Bangladesh Securities and Commission's Order No. SEC/ SRMRC /04-231/25 dated July 08, 2020) to transact the following business:

1) To receive, consider and adopt the Directors' and Auditors' Report and Audited Financial Statements for the year ended 30th June, 2022.
2) To approve Dividend for the year ended 30th June, 2022.
3) To appoint Auditor of the Company and fixation of their remuneration for the year 2022-2023.
4) To re-elect the Director of the Company.
5) To approve the appointment of Independent Director.
6) To approve appointment of Compliance Auditor.

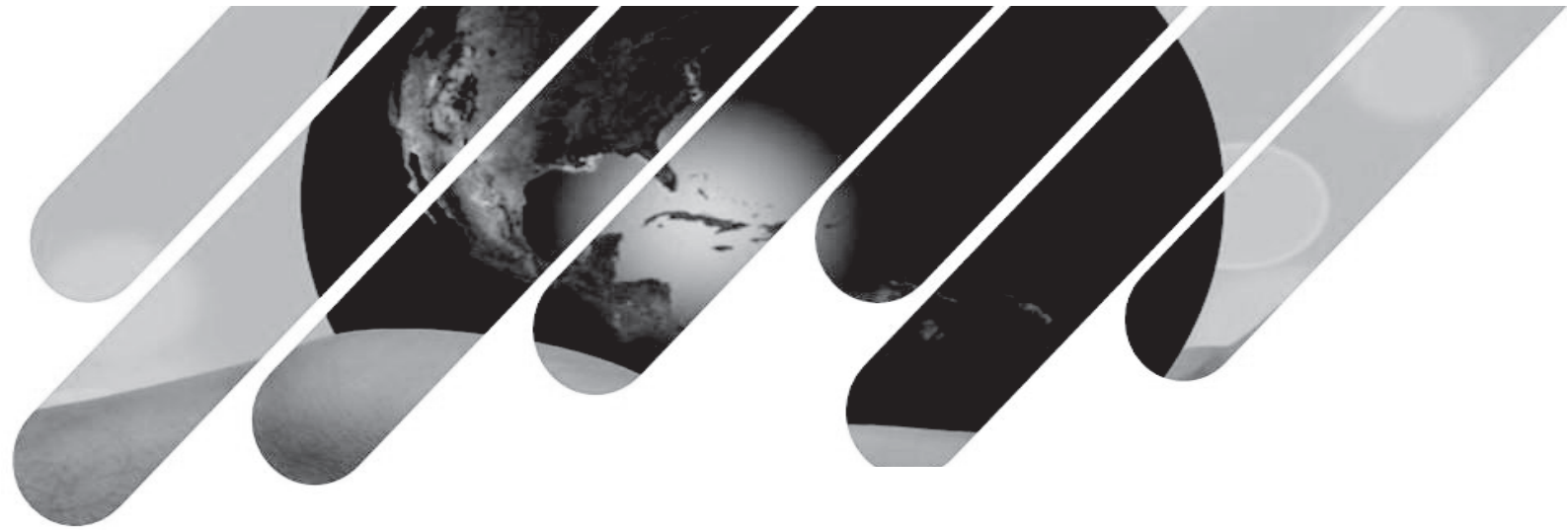
Date: Dhaka
29th October, 2022

By order of the Board of Directors

Md. Mahbubur Rahman
Company Secretary

Notes:

1. The Shareholders, whose names shall appear in the Share Register of the Company or in the Depository Register on the "Record Date" i.e. **17th November, 2022** will be entitled to attend the AGM.
2. A Member eligible to attend at the Annual General Meeting may appoint a proxy to attend on his/her behalf. The proxy form must be affixed with requisite revenue stamp and submitted to the Registered Office of the Company not later than 48 (Forty eight) hours before the time fixed for the Annual General Meeting.
3. Link for joining in AGM through Digital Platform Link: https://afcl2022.digital agmbd.net Shareholders can join virtual AGM from Laptop, PC, Mobile or Tab putting 16-Digit BO ID and holding shares as on record date. For virtual AGM guidance, the concerned members may contact at the number: 01992-024696.
4. As per BSEC Notification no. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018. Annual Report 2021-2022 of Active Fine Chemicals Limited, in soft form shall be transmitted to the respective shareholders of the Company through their e-mail ID available in their beneficial owner (BO) account with the depository. This Annual Report shall also be published on our website (www.afchem.com).
5. No food or gift will be served in the meeting in compliance of Bangladesh Securities and Exchange Commission notification # SEC/SRMI/2000-953/1950 dated 24/10/2000 and subsequent circular # SEC/CMRRC-D/2009-193/154 dated October 24, 2013.



Our Vision

To be the leader in API and Laboratory Reagent Manufacturing Industry



Our mission

To strengthen the pharmaceutical sector of Bangladesh by producing highest quality raw materials at a competitive price.



OUR OBJECTIVES

- To ensure quality
- To ensure timely delivery
- To ensure competitive price
- To create value for the stakeholders



Performance at a glance

Net turnover 2021-2022
Tk.167.16 crore
Δ
Net turnover 2020-2021
Tk.182.12 crore

Gross profit 2021-2022
Tk. 37.13 crore
Δ
Gross profit 2020-2021
Tk. 36.16 crore

Operating profit 2021-2022
Tk. 10.97 crore
Δ
Operating profit 2020-2021
Tk. 11.32 crore

Net profit before tax 2021-2022
Tk. 4.85 crore
Δ
Net profit before tax 2020-2021
Tk. 5.77 crore

Net profit after tax 2021-2022
Tk. 2.59 crore
Δ
Net profit after tax 2020-2021
Tk. 3.82 crore



Corporate Directory

Registered Office	**Active Fine Chemicals Limited** Navana Osman @ Link 214/D, Gulshan-Tejgaon Link Road, Dhaka-1208. Phone:8836830,8836843, 8836875, Fax: 088-02-8836825. Web Site: www.afchem.com
Liaison/ Business Office	House # 87-89, Road # 04, Block # B, Niketon, Gulshan-1, Dhaka. Phone:8836830,8836843, 8836875, Fax: 088-02-8836825. Web Site: www.afchem.com Email: afc.cs2018@gmail.com
Share Office	Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka. Phone: 9531023,9531190 Email: afc.cs2018@gmail.com
Factory	West Moktarpur, Munshiganj.
Memorable events	Date of Incorporation 1st December 2004 Date of Conversion into Public Ltd. 9th December 2009 Date of Commercial Production 5th October 2009 Consent for IPO from SEC 15th July 2010 Listing with Stock Exchanges(DSE & CSE) 22nd November 2010 Certificate of Good Manufacturing Practice 2011 First Export 2011 (First time Macrolides antibiotic API Export from Bangladesh) ISO 9001:2008 Certified 2012
Business Line	Manufacturer of API & Lab Reagents
Capital Structure	Authorized Capital BDT 300 Crore Paid-up Capital BDT 239.93 Crore
Last AGM Held	December 23, 2021
Auditor	M/S Shafiq Basak & Co.
Legal Advisor	Haque, Hasan, Ahmed & Associates, Advocate & Consultants
Bankers	Brac Bank Ltd. Dhaka Bank Ltd. Lanka Bangla Finance Ltd. Uttara Finance Limited Union Capital Limited Mutual Trust Bank Limited National Bank Ltd.



Board of Directors:

Md. Zia Uddin	Chairman
S.M. Saifur Rahman	Managing Director
Md. Afzal	Director
Md. Sarwar Hossain	Independent Director
Nazmul Anwar	Independent Director
Md. Shahiduzzaman	Independent Director

Audit Committee:

Nazmul Anwar	Chairman
Md. Afzal	Member
Md. Sarwar Hossain	Member

Nomination and Remuneration Committee:

Nazmul Anwar	Chairman
Md. Afzal	Member
Md. Sarwar Hossain	Member

Company Secretary:

Md. Mahbubur Rahman

Management Team:

A.B.M Jamal Uddin	Chief Operating Officer
AKM Akramuzzaman	Chief Financial Officer
Md. Khalilur Rahman	Head of Internal Audit
Prof. Dr. Md. Rabiul Islam	Executive Director of Research & Development
Dr. Md.Iqbal Hyder	Chief Advisor & Plant Operation
Md. Nurul Islam	Head of Marketing
Md. Aftab Uddin	Executive Director-HR



FIVE YEARS FINANCIAL HIGHLIGHTS AT A GLANCE

Particulars	July, 2021 To June, 2022	July, 2020 To June, 2021	July, 2019 To June, 2020	July, 2018 To June, 2019	July, 2017 To June, 2018
Non-Current Assets	4,024,850,284	4,764,239,815	5,090,605,876	4,423,368,817	3,553,613,279
Intangible Assets	-	1,472,477	4,417,429	7,362,381	10,307,333
Investment	295,974,000	295,974,000	355,844,712	345,105,396	266,199,000
Current Assets	4,758,117,031	3,687,359,998	2,634,626,415	2,759,274,394	2,740,572,254
Total Assets	9,078,941,315	8,749,046,291	8,085,494,432	7,535,110,988	6,570,691,867
Share Holders' Equity	5,296,135,197	5,280,777,334	5,242,501,162	5,346,525,397	4,736,723,738
Non-Current Liabilities	260,618,227	260,868,941	263,374,534	306,839,085	372,901,913
Current Liabilities	3,522,187,891	3,207,400,016	2,579,618,736	1,881,746,506	1,461,066,217
Total Share Holders' Equity & Liabilities	9,078,941,315	8,749,046,291	8,085,494,432	7,535,110,988	6,570,691,867
Net Turnover	1,671,647,891	1,821,259,231	1,307,895,651	2,419,162,951	2,155,719,755
Gross Profit	371,365,585	361,650,057	346,973,426	1,137,132,895	974,257,027
Net profit before WPPF	51,015,585	60,643,267	(55,163,194)	748,298,136	673,744,981
Net Profit before Tax	48,586,271	57,755,492	(55,163,194)	712,664,891	641,661,887
Net Profit after Tax	25,910,464	38,276,172	(56,002,355)	711,895,034	825,361,921
Earnings Per Share: (Restated):	0.11	0.16	(0.23)	2.97	2.67

Introducing the Directors

Mr. Md. Zia Uddin, Chairman

Mr. Md. Zia Uddin has been the Chairman of Active Fine Chemicals Limited since 2012. Soon after graduation in Business Administration; he started his career with diversified business and took control of his family business, Hamid Industrial Corporation (Pvt.) Ltd. which has been running successfully with excellent reputation since 1970. He concurrently serves as a Chairman of Nakazia Holdings (Pvt.) Ltd., Managing Director of Faijun Industries (Pvt.) Limited, Director of AFC Agro Biotech Limited, AFC Capital Limited and Hamid Industrial Corporation (Pvt.) Ltd. as well as Proprietor of Ziauddin Metal Industries.

Mr. Zia is a prominent business magnate, investor and philanthropist within the business community. He is serving the position of Secretary General in Bangladesh API & Intermediaries Manufacturing Association (BAIMA) and as Convener in Standing Committee on Industrial Relations, Factory Compliance, Dhaka Chamber of Commerce & Industries (DCCI). He is also the Integration Chair of Entrepreneur's Organization Bangladesh, the biggest global network exclusively for entrepreneurs and is a Life Member of SAARC CCI, The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He has participated various national and international seminars and workshops in the UK, German, India, Singapore, Dubai, China, Korea.

Mr. S.M Saifur Rahman, Managing Director

S.M Saifur Rahman is the Managing Director and key visionary founder of Active Fine Chemicals Ltd., has a very strong background in scientific research in chemicals technology. He also holds the position of Chief Scientist at Active Fine Chemicals Ltd. He was born in 1979 at Dhaka in a reputed business family. Mr. Rahman completed his bachelor degree from University of Rochester, USA on Chemical Engineering in 2000, and a master degree on Chemical Engineering in 2001. He was enlisted in the Dean of Engineering School's honor list for his outstanding academic achievements. He also won 2001 prestigious Forbes Young Entrepreneur award for his high-tech Business proposal on a futuristic drug discovery system. He worked on a collaborative research program with Merck Pharmaceuticals and University of Rochester as a PhD candidate for 3 years until before he left for Bangladesh. The concept of this project was generated during his tenure as a Process Development Scientist at UofR. Over there he worked to improve the manufacturing process of critical drugs. He was able to get hands on experience on running and maintaining a complex API (Active Pharmaceutical Ingredient) manufacturing unit. At that point he realized how vital and potential it is for Bangladesh. Later on he got selected as a PhD research scientist at University of Rochester, where he published many research articles in scientific journals. To explore the great potential of such a high-tech project requires leadership with cutting edge knowledge in relevant technology. Active Fine Chemicals Ltd has the potential leadership to lead this company into the high-tech industrialization era of Bangladesh. The leadership's in-depth knowledge in future of therapeutic industry, vision and hard work will propel this organization to a 21st century's standard true global company. He is also Managing Director of Intelligent Design & Dynamics Limited & AFC Health Ltd and Director of AFC Capital Ltd.

Mr. Md. Afzal, Director

Md. Afzal is a Director of the Company. He was born in 1976 at Dhaka. He completed his bachelor degree in Business Administration, major in marketing and minor in Management from Independent University, Bangladesh in 2001.This Company is looking forward to utilize his experience and insight in marketing and management. He is also Managing Director of AFC Agro Biotech Limited, and Director of AFC Capital Limited

Mr. Md. Sarwar Hossain, Independent Director

Major General Sarwar joined in Bangladesh Army in 1985. He obtained a Masters in Management Studies from Hyderabad University, India and PhD from Dhaka University. General Sarwar attended a number of professional courses at home and abroad. He held several operational, staff, and instructional appointments during his extensive career. He commanded 4 East Bengal & 305 Infantry Brigade both in CHT. He obtained varied experience serving in the Army within and outside the country. General Sarwar served as the Military Secretary to the Honourable President. Major General Sarwar participated in a number of seminars and symposiums at home and abroad. He has authored several monographs and articles on contemporary issues. Random Thoughts - an erudite collection of Major General Sarwar's ideas and themes viewed through a practitioner's lens is his first published book. His recent work on Bangladesh Liberation War titled "1971: Resistance Resilience & Redemption" which is also published in Bangla. He was awarded with DU Mirza Banu & Sirajul Islam Endowment Fund Award and Citi-Ananda Alo Literary Award 2019 for his recent publication. He is a member of Bangla Academy, Dhaka Club, Kurmitola Golf Club and Gulshan Club. He is an Adjunct Faculty of NSU.

Mr. Md. Shahiduzzaman, Independent Director

Mr. Md. Shahiduzzaman obtained B.Sc (Hon's) and Masters in Mathematics from University of Dhaka. He is an Ex- Director General (Administration, Establishment & Finance) of Anti-Corruption Commission and have proven track records in administration, establishment and financial matters. Exceptionally organized with great ability to multi-task, deliver workload and maintaining smooth functioning of the wing motivating diverse groups to achieve targeted goals. He has widespread experience in handling quite a sizeable number of landmark cases on enquiry and investigation of corruption related facts and controlling the workforce of the wing with effective guidance, monitoring and supervision in a systematic manner using modern management and administration approaches over the last 32 years.

Mr. Zaman received special trainings on capacity building issues in Enquire, investigation, Money Laundering, CRPC, BPC and Asset Recovery arranged in home and abroad.

Mr. Nazmul Anwar, Independent Director

Nazmul Anwar is an Independent Director of Active Fine Chemicals Ltd. He completed his Masters of Business Administration (MBA) from University of Dhaka. He has a vast experience and visible achievements in business development which adding a great value to the board and company. He is the Adviser of RAK Ceramics (Bangladesh).

Directors of Active Fine Chemicals Ltd. involved in other organizations:

Md. Zia Uddin	Chairman of Nakazia Holdings (Pvt.) Ltd., Managing Director of Faijun Industries (Pvt.) Limited, Director of AFC Capital Limited and Hamid Industrial Corporation (Pvt.) Ltd. as well as Proprietor of Ziauddin Metal Industries.
S.M. Saifur Rahman	Chairman of AFC Agro Biotech Limited, Director of AFC Health Limited and AFC Capital Limited
Md.Afzal	Managing Director of AFC Agro Biotech Limited and Director of AFC Capital Limited
Nazmul Anwar	Adviser of RAK Ceramics (Bangladesh)
Md. Shahiduzzaman	He is an Independent Director of Mostafa Metal Industries Limited and AFC Agro Biotech Limited
Md. Sarwar Hossain	Chairman of Simtex Industries Limited and Chief Advisor of Premium Sweets and Third House International.

Message from the Chairman



Dear valued Shareholders,

On behalf of the board of directors, I'm presenting you the annual report of Active Fine Chemicals Ltd for the financial year 2021-22.

In the financial year 2021-22, the company earned a net profit after Tax of BDT 2.59 crore. During the year Earnings per Share (EPS) is BDT 0.11. In consideration of that, the Board of Directors is pleased to recommend cash dividend for you.

Our commitment to responsible growth has always been the focal point of everything we do at Active Fine Chemicals Ltd. It has been our long-standing belief that sustainable and purposeful businesses will stand the test of time and drive superior long-term performance that stands more validated now than ever before.

I would like to take this opportunity to thank all employees of the company, our respected shareholders, valued customers, banks, patrons, drug administration, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. and all others concern for their invaluable support and tremendous response to the company.

Warm regards,

Md. Zia Uddin
Chairman



Message from the Managing Director

Dear Valued Shareholders,

Government of Bangladesh has approved a set of policies to support API & Reagent manufacturing sectors in 2017. These set of policies will definitely make a lot of difference. For instance, 20% cash incentive for export will add a lot of fuel for growth. This will also help us to compete with the foreign competitions. The export market size is over USD 250 billion. TRIPS treaty and incentive will help us to capture a good size of this market in the coming future. For local market growth GOB has approved VAT and AIT exemption until 2022 with some condition until 2032. Unfortunately new policy approved by the cabinet has yet to be materialized by NBR. Exemption related SROs are yet to be published, though there are lots of progress. We are working closely with relevant ministries to sort these issues out.

In Sha Allah, if policies are implemented with its envisioned spirit, we will be able to take advantage of the new set of policies and give good results to our valued investors in the coming future.

Truly yours,

S.M.Saifur Rahman
Managing Director

Report of the Board of Directors to the Shareholders

Welcome to the 17th Annual General Meeting of Active Fine Chemicals Limited. The Directors are immensely pleasured to present the Annual Report together with Directors' Report and the Audited Financial Statements for the year ended 30th June, 2022 in accordance with the prevailing Rules and Regulations.

Corporate Status and Background:

Active Fine Chemicals Limited (AFCL) was established on 1st December, 2004 as a private limited company with a vision to produce the bulk drugs and lab reagents. Subsequently it was converted to "Public" limited company on 9th December, 2009. AFCL has set up a multi-purpose bulk drugs and fine chemicals manufacturing facility at Munshigonj, 20 km away from the capital city Dhaka. The plant is established on the 3.60 acre land.

The Company has obtained license from the Directorate of Drug Administration of Bangladesh to operate as a manufacturer of Biological & other special products. The Company has started its commercial production on 5th October, 2009. The key driving force of AFCL is the opportunity to serve a fast growing pharmaceutical sector of Bangladesh which is heavily import dependent for its raw materials. AFCL's goal is to provide highest quality materials at a very competitive price.

Business Activities:

Active Fine Chemicals Ltd. has been producing Bulk Drugs/ Active Pharmaceutical Ingredients (API) and different Laboratory Reagents.

1. Active Pharmaceutical Ingredients (API):

Therapeutic Category	Products	BP/USP
Macrolides	Azithromycin Dihydrate	BP/USP
	Erythromycin Ethyl Succinate	BP/USP
	Erythromycin Stearate	BP/USP
Anti-ulcerate	Esomeprazole Magnesium Trihydrate	BP/USP
	Esomeprazole Magnesium Pellets	BP/USP
	Pantoprazole Sodium Sesquihydrate	BP/USP
Anti-fungal	Fluconazole	BP/USP
Lipid –lowering	Atorvastatin Calcium	USP
Anti-histamine	Cetirizine Hydrochloride	BP/USP
	Fexofenadine Hydrochloride	BP/USP
	Desloratadine	INN
Anti-depressant	Venlafaxine HCL	INN
Antibiotic	Cefixime Trihydrate	BP/USP
	Cefuroxime Axetil	BP/USP
Anti-diabetic	Metformin Hydrochloride	BP/USP
	Sitagliptin Phosphate Monohydrate	INN
	Vidagliptin	INN
	Gliclazide	BP
	Glimepiride	INN
Anti-epileptic	Pregabalin	INN
Anti-hypertensive	Losartan Potassium	BP/USP
	Amlodipine Besylate	BP
NSAID	Etoricoxib	INN
	Ketorolac Tromethamine	USP
Anti-Platelet	Ticagrelor	INN

2. Laboratory Reagents:
Wide verities of chemical substances are needed for production and quality control by pharmaceutical laboratories. Main purpose of these laboratories is to maintain quality of the raw materials and finished goods. Hence they require various chemical reagents for conducting laboratory experiments. AFCL also manufactures some of these Laboratory reagents. Bangladeshi companies used to import these chemicals and our products are import substitutes. Major products of AFCL under Laboratory Reagent category are as follows:

HPLC Grade solvents
Solvents
Powder reagents

Net Turnover for the year ended 30th June, 2022 is Taka 167.16 crore and last year's turnover of Taka 182.12 crore. Profit after tax during the period Taka 2.59 crore whereas last year profit after tax was Taka 3.82 crore.

Industry outlook and possible future development in the industry:
Active Fine Chemicals manufacturing sector in Bangladesh is still in its nascent stage of its evolution. Given our strategic advantage in low cost human resources, it is holding out great potentials. These manufacturing sector has largely moved out from Europe and North America to China and India in the recent past, is largely due to lower cost of manufacturing. Bangladesh can be strong player in this sector if carefully nurtured.
The key driving force is the opportunity to serve a fast-growing pharmaceutical local market. Now Active Fine Chemicals takes pride in being a number one API Manufacturer in Bangladesh meeting local demand since its inception. Since it is growing fast and exporting our products to Asian countries, it is time to meet the global needs. AFC is working hard on capacity building to ensure relentless production for international market.

Risks and Concerns:
Though a booming sector with great potentiality, API industry has also some risk factors such as political unrest, devaluation of foreign currency, international trade barriers, Socio-economic incohesive situation impose reverting impact on the growth of the sector. Active Fine Chemicals Limited is always careful to identify the key business risk and try to minimize the market and technological risk.

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:
The Statement of Profit or Loss and Other Comprehensive Income shows that the Cost of Goods Sold for the year ended 30th June, 2022 is Tk. 130.02 crore against Tk. 145.96 crore for the last year. Gross Profit for the year ended 30th June, 2022 is Tk. 37.13 crore against Tk. 36.16 crore for the last year. Net Profit after tax for the year ended 30th June, 2022 is Tk. 2.59 crore against Tk.3.82 crore for the last year.

Continuity of any Extra-Ordinary Gain or Loss:
Active Fine Chemicals Limited has no any Extra-Ordinary Gain or Loss for the year ended 30th June, 2022.

Related party Transaction:
During the year there are no related party transactions except following transactions, in the normal course of business. The name of the related parties and nature of these transaction have been set out in accordance with the provision of IAS 24: Related Party Disclosure.

Name of Related Party	Nature of Transactions	30.06.22	30.06.21
AFC Capital Ltd.	Investment	112,000,000	112,000,000
AFC Solvents Ltd.	Investment	50,000	50,000
AFC Agro Biotech Ltd.	Investment	60,050,000	60,050,000
AFC Agro Biology Ltd.	Investment	100,000	100,000
AFC Health Ltd.	Investment	123,774,000	123,774,000
AFC Health Ltd.	Short Term Loan	-	-

(b) Further AFC Agro Biotech Limited is one of the supplier of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited purchases products Tk.41,867,380 from AFC Agro Biotech Limited and paid Tk. 42,146,980 against purchases after adjusting payable balance of Tk.5,220,394 and balance payable to AFC Agro Biotech Limited as on 30.06.2022 was Tk. 4,940,794.

(c) Further AFC Agro Biotech Limited is one of the customer of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited sales products Tk. 68,904,260/- to AFC Agro Biotech Limited. and collected Tk. 68,474,421/- against sales after balance receivable to AFC Agro Biotech Limited as on 30.06.2022 was Tk.429,839/-

(d) Related party transaction took place during normal course of business with AFC Agro Biotech Limited.

(e) Transaction with key management personal

Key management personal compensation comprised the followings:

Director's Remuneration	3,000,000	3,000,000
Board meeting fees	-	-
	3,000,000	3,000,000

The company's key management personal includes the company's directors. Compensation includes salaries, festival bonus and meeting attendance fees.

Directors Remuneration:

Only Managing Director of the company take remuneration from the company. Total remuneration expenses of the Directors have been disclosed as an expense under the head of Administrative Expenses and Selling & Distribution Expenses in the notes 26.00 and 27.00 of financial statements. Independent Directors do not take any remuneration from the company.

Sl.No.	Name	Monthly Remuneration	Total
1	S M Saifur Rahman	2,50,000 x12	30,00,000.00
		Total=	**30,00,000.00**

Corporate and Financial Reporting:

The Directors are pleased to confirm the following:

1) The financial statements prepared by the management of the company present fairly its statements state of affairs, the result of its operations, cash flows and changes in equity.
2) Proper books and accounts of the company have been maintained.
3) Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.
4) International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
5) The system of Internal Control is sound in design and has been effectively implemented and monitored.
6) There are no significant doubts upon the Company's ability to continue as a going concern.
7) There are significant variance that occurs between Quarterly Financial Performance:

Particulars	Total Up to Quarter-3 (a)	Average per Quarter	Quarter-4 (b)	Annual C= (a+b)
Sales	1,151,142,325	383,714,108	520,505,566	1,671,647,891
Net profit /(Loss) after Tax	58,300,429	19,433,476	(32,389,965)	25,910,464
Earnings Per Share	0.24	0.08	(0.13)	0.11

1) There was no significant variance from the previous year.
2) The financial data for the last five years are annexed.
3) No bonus shares or stock dividend has been or shall be declared as interim dividend.

Acquisition of Assets:

During the year under review, the Company invested a sum of Tk. 20.85 crore for acquisition of Fixed Assets such as land, building, plant and machinery.

Investment:
This consists of as follows:

	30-Jun-22	30-Jun-21
Investment in Securities-Listed Company (Note-5.01)	60,050,000	60,050,000
Investment in Securities-Un Listed Company (Note-5.02)	235,924,000	235,924,000
Total	**295,974,000**	**295,974,000**

Shareholding Pattern:
Shareholding patterns of the company for the year ended 30th June, 2022 is shown in Annexure-II of this report.

Minority Shareholders:
Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

Corporate Governance Compliance Report:
Active Fine Chemicals Limited adheres to appropriate Corporate Governance principles. The Company has also complied with all requirements of Corporate Governance as required by the Bangladesh Securities & Exchange Commission. Accordingly to Bangladesh Securities and Exchange Commission's notification no. SEC/CMRRC-D/2006-158/207/Admin/80: dated 3rd June, 2018 a Corporate Governance Compliance Report is shown Annexure-V of this report.

Financial Result:
The Directors are pleased to report the financial results for the year 2021-2022:

Particulars	July 2021 To June 2022	July 2020 To June 2021
Net Profit Before Tax	**48,586,271**	**57,755,492**
Less: Provision for Income Tax	(22,675,808)	(19,479,320)
Net Profit After Tax	**25,910,464**	**38,276,172**
Add: Profit brought forward from previous year	1,791,895,069	1,750,600,093
Less: Dividend	(10,552,600)	-
Add: Revaluation Surplus Adjustment	249,211	3,018,803
Profit Available for Appropriation	**1,807,502,144**	**1,791,895,069**
Less: Proposed Dividend	(5,276,300)	10,552,411
Un-appropriated Profit Carried Forward	**1,802,225,844**	**1,781,342,658**

Credit Ratings:
The summery of the up to date credit rating done by National Credit Ratings Limited (NCR) is presented below:

Long Term: A
Short Term: ST-3

We express our warm thanks to all our customers and stakeholders for their continued support and cooperation.

Dividend:
During the year company earned Net Profit after Tax is Tk.2.59 crore. The earning per share (EPS) is Tk. 0.11. Considering the satisfaction of shareholders, the Board of Directors has recommended 0.25% Cash Dividend only general shareholders other than Board of Directors for the year ended 30th June, 2022.
Information on unclaimed dividend as on 30 June 2022 are disclosed in Note No. 22.00 of the financial statements of Active Fine Chemicals Limited.

Interim Dividend:

No dividend was declared during the period under review as interim dividend.

Capital Structure:

Authorized capital of Active Fine Chemical Limited is Tk.300,00,00,000/- divided into 30,00,00,000 Ordinary shares of Tk.10.00 each. Paid up capital of the Company as on 30th June 2022 is Tk. 239, 93, 65,800/- divided into 23, 99, 36,580 Ordinary shares of Tk.10.00 each.

Management Discussion and Analysis:

The Government of Bangladesh has approved a new set of policies to support this sector. These set of policies will definitely make a lot of difference. For instance, 20% cash incentive for export will add a lot of fuel for growth. This will also help us to compete with the foreign competitions. TRIPS treaty and incentive will help us to capture a good size of this market in the coming future. For local market growth GOB has approved VAT and AIT exemption until 2022 with some condition until 2032. This will help us to compete with the foreign competitors to gain local market share.

The management is also like to inform on the following issues:

a) The company followed accounting policies and procedure for the preparation of Financial Statements with relevant International Accounting Standard (IAS), International Financial Reporting Standard (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) which has been disclosed in the notes to the Financial Statements.

b) During the reporting period 2021-2022 accounting policies and procedures were followed on consistently basis in maintaining financial records and presentation. No changes were made during the financial year in the accounting policies and procedures.

c) Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years have been presented at the directors report.

d) In discussion of financial and economic scenario of the country and the globe, Bangladesh sustained strong growth in fiscal year 2021-2022.The API sector is one of the fastest growing sectors of Bangladesh economy. It is also one of the largest foreign exchange earning sectors of Bangladesh. The sector has built up skilled manpower and improved quality and at the same time more effort is being put to win the global market.

e) About risks and concern issue, it has also been discussed in detailed in the Directors' report.

f) The company is very much aware about the world business environment and compete with these challenges with strong management efficiency and stepping ahead for the sustainable growth of the shareholders and the country as well.

With Best Regards

S.M Saifur Rahman
Managing Director

Appointment of Auditor:

The auditor M/S Shafiq Basak & Co. Chartered Accountants will retire at the conclusion of ensuing 17th Annual General Meeting as per Bangladesh Securities & Exchange Commission Notification No. SEC/CMRRC-D/2009-193/104/Admin dated 27th July 2011. We have received an offer from M/S Rahman Mostafa Alam & Co. Chartered Accountants for appointment as statutory auditor of the company for the year 2022 -2023. The Board of Directors & Audit committee reviewed the offer letter of M/S Rahman Mostafa Alam & Co. Chartered Accountants regarding appointment as statutory auditor and the Board recommended the proposal for appointment of M/S Rahman Mostafa Alam & Co. Chartered Accountants as statutory auditor for the year 2022-2023 subject to the approval of shareholders in 17th Annual General Meeting of the company.

Environmental Role:

The company maintains a high standard of pollution free environment as per Government laws. The company doesn't have any activity which is harmful to the environment or society.

Human Resources Development:
The human resources are actual asset of the company and the Board recommended maintaining regular training and development of the company personnel. The company also provides continuously relevant training for the employees to encourage self-development and to improve their efficiency as well as productivity. Excellent intermingle of young and skilled people ensure their best efforts towards growth of business.

Appointment of Professional Firm for the certificate on compliance with the Corporate Governance Code of BSEC:
A.K.M. Delwer Hussain & Associates, Cost and Management Accountants will retire at the conclusion of ensuing 17th Annual General Meeting. We have received an offer from Mujibur Rahman & Co. Cost and Management Accountants, for appointment as compliance auditor of the company for the year 2022-2023 the Board recommended the proposal for appointment of Mujibur Rahman & Co. Cost and Management Accountants, as the Corporate Governance compliance auditor of the Company for the year 2022-2023 subject to the approval of shareholders in 17th Annual General Meeting of the company.

Compliance with Laws and Regulations:
The company always trying to comply the provision of the applicable laws and regulations of the country.

Board Meetings & Attendance:
During the year, 10 (Ten) Board Meetings were held. The attendance record of the Directors is shown in Annexure-I of this report. The Board of Directors did not take attendance fees during the year ended 30th June, 2022.

Going Concern:
The Board of Directors has reviewed & analyzed the Company's business plans and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly the Financial Statements are prepared based on the going concern concept.

Election of Directors:
Mr. Md. Afzal, Director retired from the Board of Directors by rotation and he expressed his interest for re-election as Director.

Basis for Qualified Opinion:

i. Majority of purchases of materials and fixed assets, expenses and receipts have taken place in cash transactions violating section 30 h(ii) and (m) of Income Tax Ordinance 1984.

ii. Impairment analysis for property, plant and equipment to be done by management as per para 9 of IAS 36 has not been completed as of balance sheet date considering the external and internal source of information regarding impairment of assets in accordance with para 12 of the same standard.

iii. Provision for receivable has been kept at 3.5% which is not sufficient considering lifetime expected credit loss in accordance with IFRS-9

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iv. Bank balance has been disclosed at Tk. 573,702,673 out of which Tk. 568,105,300 has been shown as uncleared cheques. There is no evidence of subsequent clearing of those cheques.

v. The total shareholding position of the directors of the company combined does not meet the requirement of holding at least 30% of shares of paid-up capital as per BSEC Notification No. BSEC/CMRRC-D/2009-193/217/Admin/90 dated 21st May 2019.

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

Dividend Distribution Policy:

Active Fine Chemicals Limited (AFCL) maintains a dividend distribution policy for its own purpose. The said policy is prepared for resulting proper distribution of declared dividend to the shareholders of the company. As dividend policy of the company serves to enhance corporate market value.

The Board of Directors of Active Fine Chemicals Limited has adopted the dividend distribution policy to comply with Bangladesh Securities and Exchange Commission (BSEC) Directive No. BSEC/ CMRRCD/ 2021-386/03 dated January 14, 2021 which is mandatory for the listed company.

Dividend Recommendation and Approval Process:

The Board of Directors of the company would be recommended Dividend based on the Audited Financial Statements of the company which is subject to the approval of the Shareholders at an Annual General Meeting.

Entitlement of the Dividend:

The Shareholders, whose names shall appear in the Share Register of the Company or in the Depository Register of CDBL on the "Record Date" will be entitled to attend the AGM and receive the Dividend.

Disbursement of Dividend:

AFCL shall pay off the final dividend to the entitled shareholders within 30(thirty) days from the date of approval by shareholders in AGM. Cash dividend and stock dividend shall be distributed in the following manner and procedures:

Cash Dividend

AFCL shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP) or the bank account as provided by the shareholders in paper form, through BEFTN.

- AFCL may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.
- Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager.
- AFCL shall pay off such cash dividend to the consolidated customer's bank account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, AFCL shall issue cash dividend warrant and shall send it by post to the shareholders.
- AFCL shall maintain detailed information of unpaid/unclaimed cash dividend and rationale thereof, as per BO account of the shareholders and shall also disclose the summery of aforesaid information in the annual report and shall also report in the financial statements of financial position as a separate line item 'Unclaimed Dividend Account'. AFCL shall publish the year-wise summery of its unpaid or unclaimed cash dividend in the website.

Stock Dividend:

AFCL shall credit stock dividend directly to the BO account of the entitled shareholders within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). AFCL shall follow the provision প্রবিধান 46 of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, 2003 for issuance of bonus shares.

- AFCL shall maintain a suspense BO account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:
- AFCL shall send reminders to the entitled shareholders.
- The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer.
- Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

- AFCL shall upon receiving application from the allottee and after proper verification of identity and his entitlement ,credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee or issue bonus shares to the allottee, as applicable within 15 (fifteen) days of receiving application with an intimation to the commission and exchange(s).
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.

Payment of unpaid/unclaimed cash dividend and stock dividend:
AFCL shall not forfeit any unclaimed cash dividend and stock dividend till the claim becomes barred by the law of land in force. AFCL shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed cash dividend and stock dividend to the entitled shareholders.

Disclosure of the Policy:
The dividend distribution policy shall be disclosed in the annual report and on the website of the company.

Submission of dividend distribution compliance report:
AFCL shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issued by the regulator (s) within stipulated time of completion of dividend distribution to the entitled shareholders.

Acknowledgements:
The Board of Directors expresses their sincere gratitude and appreciation for the assistance, cooperation and guidance received by the Company from Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Drug Administration, Bangladesh Bank, Commercial Banks, Shareholders, Suppliers, Clients, and Employees of Active Fine Chemicals Limited for their contribution and their continued support and confidence.

Thank you all
On behalf of the Board of Directors



Md. Zia Uddin
Chairman

Annexure-I
Attendance of Board Meeting

Name of Directors	Position	Meeting Held	Attendance
Md. Zia Uddin	Chairman	10	10
S.M. Saifur Rahman	Managing Director	10	10
Md. Afzal	Director	10	10
Md. Sarwar Hossain	Independent Director	10	08
Nazmul Anwar	Independent Director	10	10
Md. Shahiduzzaman	Independent Director	10	08

Annexure-II
Pattern of Shareholding

Name of Directors	Position	No. of Share upto 30-06-2022	% As on 30-06-2022
1. Parent/Subsidiary/Associate companies and other related parties.		-	-
2.Directors, CEO, CS, CFO, HIAC and their spouses and minor children:			
2.A. Directors			
Md. Zia Uddin	Chairman	69,75,072	2.91
S.M. Saifur Rahman	Managing Director	1,71,10,392	7.13
Md. Afzal	Director	47,99,124	2.00
Md. Sarwar Hossain	Independent Director	-	-
Nazmul Anwar	Independent Director	-	-
Md. Shahiduzzaman	Independent Director	-	-
2.B. CEO, CS, CFO, HIA:			
A K M Akramuzzaman	Chief Financial Officer	-	-
Md. Mahbubur Rahman	Company Secretary	-	-
Md. Khalilur Rahman	Head of Internal Audit	-	-
3. Executive (Top 5 persons other CEO/CS/CFO/HIAC)			
A.B.M Jamal Uddin	Chief Operating Officer	-	-
Md. Nurul Islam	Head of Marketing	-	-
4. Shareholding 10% or more voting right		-	-

Annexure-III
Brief resume of the Directors who seek appointment / re- appointment in the ensuing Annual General Meeting (AGM)

Mr. Md. Afzal, Director

Md. Afzal is a Director of the Company. He was born in 1976 at Dhaka. He completed his bachelor degree in Business Administration, major in marketing and minor in Management from Independent University, Bangladesh in 2001.This Company is looking forward to utilize his experience and insight in marketing and management. He is also Managing Director of AFC Agro Biotech Limited, and Director of AFC Capital Limited.

Annexure-IV
Certificate on compliance with the condition of Corporate Governance Guide lines

A. K. M. Delwer Hussain & Associates
Cost & Management Accountants

Report to the Shareholders of Active Fine Chemicals Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Active Fine Chemicals Ltd.** for the year ended on June 30, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

d) The governance of the company is satisfactory.

Place -Dhaka.

Date- November 27, 2022

For A. K. M. Delwer Hussain & Associates

A. K. M. Delwer Hussain FCMA
Cost & Management Accountants

Akram Tower, Level-8, Suite No.-4, 199, Bijoy Nagar, Dhaka-1000, Mobile : 01711171650
01971171650, E-mail : delwer.associates@gmail.com, delwer_fcma@yahoo.com

Helping you compliance better

Annexure-V
Status of Compliance

Status of Compliance with the conditions imposed by the Commission`s Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June 2018, issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1	**Board of Directors**			
1.1	**Size of the Board of Directors**			
	The total number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty)	√		
1.2	**Independent Directors**			
1.2(a)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		
1.2 (b)	For the purpose of this clause 'independent director' means a director-			
1.2 (b) (i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1.2 (b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members shall not hold above mentioned shares in the company;	√		
1.2 (b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1.2 (b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1.2 (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1.2 (b)(vii)	who is 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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		

1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies;	√		
1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (c)	Independent director shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM);	√		
1.2 (d)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√		
1.2 (e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
1.3	**Qualification of Independent Director(ID)**			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business;	√		
1.3 (b)	Independent Director shall have following qualifications			
1.3 (b)(i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1.3(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	-		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law;	√		
1.3 (b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		
1.3 (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-		

1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field.	√		
1.3 (d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			No such issue arose
1.4	**Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer**			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director and/ or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1.4 (b)	The Managing Director (MD) and/ or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1.4 (e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose
1.5	**The Directors' Report to Shareholders**			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1.5 (i)	An industry outlook and possible future developments in the industry;	√		
1.5 (ii)	The Segment-wise or product-wise performance;			Company operates its business under a single segment
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1.5 (v)	A discussion on continuity of any Extra-Ordinary activities and their implications (gain or loss);	√		
1.5 (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1.5 (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			No such issue arose

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.;			No such issue arose
1.5 (ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;			No such matter to explain
1.5 (x)	A statement of remuneration paid to the directors including independent directors	√		
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;	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained;	√		
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;	√		
1.5 (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1.5 (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1.5 (xvii)	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;	√		
1.5 (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1.5 (xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		The Board has declared cash dividend
1.5 (xxi)	Board statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1.5 (xxiii)	**A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-**			

1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
1.5 (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1.5 (xxiii)(c)	Executives;	√		
1.5 (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1.5 (xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxiv)(a)	A brief resume of the director;	√		
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1.5 (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1.5 (xxv)	**A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:**			
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1.5 (xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;	√		
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1.5 (xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1.5 (xxv)(e)	The financial and economic scenario of the country and the globe;	√		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1.5 (xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		

1.6	**Meetings of the Board of Directors**			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this code.	√		
1.7	**Code of Conduct for the Chairperson, other Board members and Chief Executive Officer**			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	**Governance of Board of Directors of Subsidiary Company**			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2 (e)	The Audit Committee of the holding company shall also review the financial Statements, in particular the investments made by the subsidiary company.			N/A
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-**			
3.1	**Appointment**			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		

3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO),Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3.2	**Requirement to attend the Board Meetings**			
	The MD or CEO, CS, CFO and HIAC of the companies shall attend the meetings of the Board provided that the CS, CFO and /or the HIAC shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	√		
3.3	**Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			
3.3 (a)	The MD or CEO and CFO shall certified to the Board that they have reviewed financial statements for the year to the best of their knowledge and belief;	√		
3.3 (a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3.3 (a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3 (b)	The MD or CEO and CFO shall also certified that there are, to the best of knowledge and belief no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3.3 (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	**Board of Directors' Committee**			
	For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4 (i)	Audit Committee;	√		
4 (ii)	Nomination and Remuneration Committee;	√		

5	**Audit Committee**			
5.1	**Responsibility to the Board of Directors**			
5.1 (a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors;	√		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5.1 (c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2	**Constitution of the Audit Committee**			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5.2 (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			There was no such case
5.2 (e)	The company secretary shall act as the secretary of the Committee;	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	**Chairperson of the Audit Committee**			
5.3 (a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose

5.3 (c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
5.4	**Meeting of the Audit Committee**			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	**Role of Audit Committee shall include the following:**			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles;	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5.5 (h)	Review the adequacy of internal audit function;	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5.5 (j)	Review statement of significant related party transactions submitted by the management;	√		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			No such issue arose

5.6	**Reporting of the Audit Committee**			
5.6 (a)	**Reporting to the Board of Directors**			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5.6 (a)(ii)	The Audit committee shall immediately report to the Board on the following findings, if any;			
5.6 (a)(ii)(a)	Report on conflicts of interests;			No such incident arose
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident arose
5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulations; and			No such incident arose
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No such incident arose
5.6 (b)	**Reporting to the Authorities**			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such incident arose
5.7	**Reporting to the Shareholders and General Investors**			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	**Nomination and Remuneration Committee (NRC)**			
6.1	**Responsibility to the Board of Directors**			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		

6.1(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6.2	**Constitution of the NRC**			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incident arose
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such incident arose
6.2 (g)	The company secretary shall act as the secretary of the Committee;	√		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6.2 (i)	No member of the NRC shall receive either directly or indirectly any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;	√		
6.3	**Chairperson of the NRC**			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident arose
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
6.4	**Meeting of the NRC**			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			No emergency meeting conveyed

6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6.5	**Role of the NRC**			
6.5 (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5 (b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board relating to the remuneration of the directors, top level executive, considering the following:	√		
6.5 (b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	√		
6.5 (b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6.5 (b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6.5 (b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6.5 (b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5 ©	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	√		

7	**External/Statutory Auditors.**			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	any service that the Audit Committee determines;	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under clause (i) of condition No. 9 (1);	√		
7.1 (ix)	Any other service that creates conflict of interest;	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	**Maintaining a website by the Company**			
8.1	The company shall have an official website linked with the website of the stock exchange;	√		
8.2	The company shall keep the website functional from the date of listing;	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9	**Reporting and Compliance of Corporate Governance**			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual General meeting			
9.3	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions or not.	√		

Annexure-VI

AUDIT COMMITTEE REPORT

The Board of Directors of Active Fine Chemicals Limited has constituted an Audit Committee according to the conditions of Bangladesh Securities and Exchange Commission's (BSEC) guidelines. All members of the Audit Committee are financially literate and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. During the year 6 meetings were held and all the members were present in all meetings.

The Audit Committee consists of the following members:

Name of the Directors	Position of Audit Committee	Meeting Held	Attendances
Nazmul Anwar	Chairman of Audit Committee	6	6
Md. Afzal	Member	6	6
Md. Sarwar Hossain	Member	6	6
Md. Mahbubur Rahman	Secretary	6	6

The scope of Audit Committee was defined as under:

a) Review and recommend to the Board to approve the financial statements prepared for statutory purpose;

b) Report to the Board of Directors on internal audit findings from time to time considering the significance of the issues;

c) Carry on a supervisory role to safeguard the systems of governance and independence of statutory auditors; and

d) Review and consider the internal auditor's report and statutory auditor's observations on internal control.

Activities carried out during the year

The Committee reviewed the internal audit reports, quarterly, half yearly, annual financial statements and the external audit report and recommended to the board for consideration. The Committee did not find any material deviation, discrepancies or any adverse finding /observation in the areas of reporting.

Sd/-
Nazmul Anwar
Chairman
Audit Committee

Annexure-VII

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors of Active Fine Chemicals Limited has constituted a Nomination and Remuneration Committee according to the conditions of Bangladesh Securities and Exchange Commission's (BSEC) guidelines.

The NRC Committee consists of the following members

Name of the Directors	Position of NRC Committee	Meeting Held	Attendances
Nazmul Anwar	Chairman of the Committee	3	3
Md. Afzal	Member	3	3
Md. Sarwar Hossain	Member	3	3
Md. Mahbubur Rahman	Secretary	3	3

During the year the members of the NRC meet in 3 meetings.

The scope of NRC was defined as under:

a) NRC shall be independent and responsible or accountable to the Board and to the Shareholders;

b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board;

i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executives, considering the following:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to working of the company and its goals;

ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
iv) formulating the criteria for evaluation of performance of independent directors and the Board;
v) developing, recommending, and reviewing annually the company's human resources and training policies;

Activities carried out during the year

The Committee assists the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors, top level executives.

Sd/-
Nazmul Anwar
Chairman
Nomination and Remuneration Committee

Declaration by MD and CFO

29th October, 2022

The Board of Directors
Active Fine Chemicals Limited
House # 87-89, Road # 04, Block –B,
Niketon, Gulshan – 1
Dhaka.

Sub: Declaration on Financial Statements for the year ended on 30th June, 2022.

Dear Sir,
Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/2006- 158/207/Admin/80 dated 3rd June, 2018 under section 2CC of Securities and Exchange Ordinance, 1969, we do hereby declare that:

1) The Financial Statements of Active Fine Chemicals Limited for the year ended on 30th June, 2022 have been prepared in compliance with International Accounting Standards (IASs) or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regards, we also certify that:-

i) We have reviewed financial statements for the year ended on 30th June, 2022 and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
   b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

ii) here 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 code of conduct for the company's Board of Directors or its members.

S.M Saifur Rahman
Managing Director

AKM Akramuzzaman
Chief Financial Officer

Independent Auditor's Report
To the Shareholders of Active Fine Chemicals Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Active Fine Chemicals Limited (the "Company"), which comprise the statement of financial position as at 30 June 2022 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as of 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

(i) Majority of purchases of materials and fixed assets, expenses and receipts have taken place in cash transactions violating section 30 h(ii) and (m) of Income Tax Ordinance 1984.

(ii) Impairment analysis for property, plant and equipment to be done by management as per para 9 of IAS 36 has not been completed as of balance sheet date considering the external and internal source of information regarding impairment of assets in accordance with para 12 of the same standard.

(iii) Provision for receivable has been kept at 3.5% which is not sufficient considering lifetime expected credit loss in accordance with IFRS-9.

(iv) Bank balance has been disclosed at Tk. 573,702,673 out of which Tk. 568,105,300 has been shown as uncleared cheques. There is no evidence of subsequent clearing of those cheques.

(v) The total shareholding position of the directors of the company combined does not meet the requirement of holding at least 30% of shares of paid-up capital as per BSEC Notification No. BSEC/CMRRC-D/2009-193/217/Admin/90 dated 21st May 2019.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the year ended 30 June 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our Response to the key audit matters
The company had inventory of BDT 1,564,716,749 as at June 30, 2022, held in factory. This material item is subject to considerable inherent risk due to the complexity of the system necessary for proper recognition, measurement, and recording considering the application of The International Accounting Standards 2 "Inventories". Therefore, there is a risk that Inventories are valued by the disclosed basis of note 06. Inventories can be over or undervalued or might need provision for obsolescence.	We checked the appropriateness of calculation and presentation of the value of inventory by means of the following: ■ Carried out physical verification of inventory and evaluated and tested physical controls over inventory. ■ Obtained physical inventory count report as of balance date conducted by management as a part of control procedures and checked the cost of raw materials purchased and authenticity of valuation method applied.

Other Information included in the Company's June 30, 2022 Annual Report

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

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

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in note # 1, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 2022, we also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and

d) the expenditures incurred were for the purpose of the Company's business for the year;

Dated, Dhaka
November 03, 2022

Md. Shafiqul Islam FCA
Partner
Enrolment # 595
Shafiq Basak & Co.
Chartered Accountants
DVC: 2211030595AS260481

Active Fine Chemicals Ltd.
Statement of Financial Position
As at 30 June, 2022

Particulars	Notes	Amount in Taka	
		30-Jun-22	30-Jun-21
ASSETS:			
Non-Current Assets:		**4,024,850,284**	**4,764,239,815**
Property, Plant and Equipments at Carrying Value	2.00	4,024,400,284	4,763,519,815
Right of Use Assets	3.00	450,000	720,000
Intangible Assets:		**-**	**1,472,477**
Product Development Cost	4.00	-	1,472,477
Investment	5.00	**295,974,000**	**295,974,000**
Current Assets:		**4,758,117,031**	**3,687,359,998**
Inventories	6.00	1,564,716,749	1,267,196,162
Advances,Deposits and Prepayments	7.00	915,087,615	741,629,450
Accounts Receivable	8.00	1,703,497,108	1,489,858,781
Cash and Cash Equivalents	9.00	574,815,561	188,675,605
TOTAL ASSETS		**9,078,941,315**	**8,749,046,291**
SHARE HOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity:		**5,296,135,197**	**5,280,777,333**
Share Capital	10.00	2,399,365,800	2,399,365,800
Share Premium	11.00	986,850,000	986,850,000
Retained Earnings	12.00	1,807,502,144	1,791,895,069
Revaluation Surplus	13.00	102,417,254	102,666,465
Non-Current Liabilities:		**260,618,227**	**260,868,941**
Deferred Tax Liability	14.00	64,699,780	64,699,780
Long Term Loan-Secured	15.00	195,265,245	195,265,245
Lease Liability	16.00	653,202	903,916
Current Liabilities:		**3,522,187,891**	**3,207,400,016**
Short Term Loan	17.00	2,832,005,433	2,582,210,819
Long Term Loan-Current portion	18.00	161,249,614	148,621,532
Lease Liability_Current Portion	19.00	307,054	56,340
Provision for Tax	20.00	339,409,566	316,733,758
Liabilities for Expense & Services	21.00	127,223,648	69,161,982
Dividend Payable	22.00	7,328,087	36,840,262
Liabilities for Other Finance	23.00	54,664,490	53,775,323
TOTAL SHARE HOLDERS' EQUITY AND LIABILITIES		**9,078,941,315**	**8,749,046,291**
Net Assets Value (NAV) per share	32.00	**22.07**	**22.01**

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

Dated, Dhaka
November 03, 2022

Md. Shafiqul Islam FCA
Partner
Enrolment # 595
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 2211030595AS260481

Active Fine Chemicals Ltd.

Statement of Profit or Loss and Other Comprehensive Income
For the period ended 30 June, 2022

Particulars	Notes	Amount in Taka	
		July 2021 To June 2022	July 2020 To June 2021
Net Turnover	24.00	1,671,647,891	1,821,259,231
Cost of Goods Sold	25.00	(1,300,282,306)	(1,459,609,174)
Gross Profit		**371,365,585**	**361,650,057**
Operating Expenses		**(261,585,745)**	**(248,441,127)**
Administrative Expenses	26.00	(234,998,599)	(216,951,534)
Selling & Distribution Expenses	27.00	(26,587,146)	(31,489,593)
Profit from Operation		**109,779,840**	**113,208,930**
Finance Cost	28.00	(279,075,846)	(247,375,063)
Other Income/(Loss)	29.00	220,311,591	194,809,400
Net Profit before WPPF		**51,015,585**	**60,643,267**
Allocation for WPPF		(2,429,314)	(2,887,775)
Net Profit Before Tax		**48,586,271**	**57,755,492**
Income Tax Expenses		**(22,675,808)**	**(19,479,320)**
Provision for Current Tax	30.00	(22,675,808)	(19,479,320)
Provision for Deferred Tax		-	-
Net Profit After Tax		**25,910,464**	**38,276,172**
(Transferred to Statement of Changes in Equity)			
Other Comprehensive Income:			
Gain/(loss) on Marketable Securities (Unrealized)		-	-
Total Comprehensive Income		**25,910,464**	**38,276,172**
Earnings per Share (Basic)	31.00	**0.11**	**0.16**

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

Dated, Dhaka
November 03, 2022

Md. Shafiqul Islam FCA
Partner
Enrolment # 595
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 2211030595AS260481

Active Fine Chemicals Ltd.
Statement of Changes in Equity
For the period ended 30 June, 2022

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total Taka
Balance 1st July, 2021	2,399,365,800	986,850,000	1,791,895,069	102,666,465	5,280,777,334
Cash Dividend (2020-2021)	-	-	(10,552,600)	-	(10,552,600)
Revaluation Surplus Adjustment	-	-	249,211	(249,211)	-
Net Profit after Tax	-	-	25,910,464	-	25,910,464
Balance 30 June, 2022	**2,399,365,800**	**986,850,000**	**1,807,502,144**	**102,417,254**	**5,296,135,198**

Statement of Changes in Equity
For the period ended 30 June, 2021

Particulars	Share Capital	Share Premium	Retained Earnings	Revaluation Surplus	Total Taka
Balance 1st July, 2020	2,399,365,800	986,850,000	1,750,600,093	105,685,269	5,242,501,162
Revaluation Surplus Adjustment	-	-	3,018,803	(3,018,803)	-
Net Profit after Tax	-	-	38,276,172	-	38,276,172
Balance 30 June, 2021	**2,399,365,800**	**986,850,000**	**1,791,895,069**	**102,666,466**	**5,280,777,334**

Dated, Dhaka
November 03, 2022

Chairman | Managing Director | Director | Chief Financial Officer | Company Secretary

Active Fine Chemicals Ltd.

Statement of Cash Flows

For the period ended 30 June, 2022

Particulars		Amount (In Taka)	
		July 2021 To June 2022	July 2020 To June 2021
A. Cash Flows from Operating Activities:			
Collection from Sales		1,458,009,564	1,543,003,746
Payment to Suppliers		(788,273,348)	(1,199,592,571)
Payment for Expenses		(350,921,777)	(419,104,060)
Payment for Advance, Deposit & Prepayment		(173,458,164)	(302,095,986)
Other Income		226,708,124	194,793,200
Net Cash Generated from Operating Activities		**372,064,398**	**(182,995,671)**
B. Cash Flows from Investing Activities:			
Investment during the year		-	59,870,712
Purchase of Fixed Assets		(208,552,365)	(578,220,185)
Net Cash used in Investing Activities		**(208,552,365)**	**(518,349,473)**
C. Cash Flows from Financing Activities:			
Increase/(Decrease) in Short Term Loan		249,794,615	669,635,415
Increase/(Decrease) in Long Term Loan		12,628,082	25,589,022
Devidend Paid		(40,064,775)	(22,963,781)
Lease Payment		270,000	67,500
Net Cash Generated/(Used) from Financing Activities		**222,627,922**	**672,328,156**
D. **Cash Flows from realized gain/(loss) on Exchange Rate**		**(6,380,333)**	**16,200**
Net Cash Inflow/(Outflow) from Total Activities (A+B+C+D)		**386,139,955**	**(29,016,988)**
Opening Cash & Cash Equivalents		**188,675,605**	**217,692,593**
Cash and Cash Equivalents at the End		**574,815,560**	**188,675,605**
Net Operating Cash Flows Per Share	**(Note: 32)**	**1.55**	**(0.76)**

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

ACTIVE FINE CHEMICALS LTD.

Notes to the financial statements
As at and for the year ended 30 June 2022

1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

The Active Fine Chemicals Limited was incorporated in Bangladesh on 1st December 2004 as a Private Limited Company under the Companies Act, 1994 and subsequently it was converted into Public Limited Company on 9th December, 2009. The company has been listed with Dhaka Stock Exchange and Chittagong Stock Exchange in 2010.

1.02 Registered Office and Factory:

The Company's registered office is situated at Navana Osman @ Link, 214/D, Tejgaon, Gulshan Link Road, Tejgaon, Dhaka – 1208, Bangladesh and its factory is located at West Muktarpur, Munshiganj, Bangladesh 20 Km. away from Dhaka City.

1.03 Nature of Business Operations:

Active Fine Chemicals Ltd. was established in 2004 with a vision to share in local market for supply of bulk drug materials. The main objective of the company is to enter into fast growing pharmaceutical local market by providing highest quality products in the market at a competitive price.

1.04 Commercial Production:

Its commercial production was started since 5th October, 2009.

1.05 Components of Financial Statements:

1. Statement of Financial Position as at 30 June, 2022
2. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June, 2022
3. Statement of Cash flows for the year ended 30 June, 2022
4. Statement of Changes in Equity as at 30 June, 2022
5. Notes, Comprising a Summary of Significant Accounting Policies and other Explanatory notes.

1.06 Application of International Accounting Standards (IAS):

Following IAS are applicable for the preparation and presentation of financial statements for the year under report.

IAS – 1 Presentation of Financial Statements
IAS – 2 Inventories
IAS – 7 Statements of Cash Flows
IAS – 8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS – 12 Income Taxes
IAS – 16 Properties, Plant and Equipment
IAS – 19 Employee Benefits
IAS – 21 The effects of Changes in Foreign Exchange Rate
IAS – 23 Borrowing Costs
IAS – 24 Related Party Disclosures
IAS – 33 Earnings per Share
IAS – 37 Provisions, Contingent Liabilities and Contingent Assets
IAS –38 Intangible Asset
IFRS- 7 Financial Instruments: Disclosures
IFRS- 9 Financial Instruments
IFRS- 15 Revenue from Contracts with Customers

1.07 Basis of Preparation and presentation of Financial Statements:

i) Statement of compliance:

The financial statements have been prepared on going concern basis under the "Historical Cost" convention followings International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities & Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other applicable laws and regulation.

ii) Basis of measurement:

The financial statements have been prepared on the Historical Cost convention except for certain assets which are stated at revalued amount also based on accrual basis of accounting consistently applied following going concern assumption under generally accepted accounting principles in Bangladesh.

iii) Functional and presentational currency and level of precision:

These financial statements are prepared in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All financial information is presented in Taka currency and has been rounded to the nearest taka except where indicated otherwise.

iv) Use of estimates and judgments:

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect the applicable accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payables.

v) Reporting Period:

The financial year of the company cover one year from 01 July 2021 to 30 June 2022 and the amounts presented in the financial statements are not entirely comparable.

vi) Comparative Information:

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

vii) Presentation of Financial Statements:

The presentation of these financial statements is in accordance with the guidelines provided by IAS-1 Presentation of Financial Statements.

viii) Regulatory Compliances:

As required Active Fine Chemicals Limited comply with the following major legal provision in addition to the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations:

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax and Supplementary Duty Act 2012
The Value Added Tax and Supplementary Duty Rules 2016

1.08 Significant Accounting Policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements:

i) Inventories:

Inventories are valued at the lower of cost or net realizable value as prescribed by IAS- 2 Inventories. The cost includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufacturing inventories and work-in-progress cost generally include an appropriate share of production overheads based on normal operation capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion of sales and selling expenses.

At the end of the year physical verification of inventories was carried out. Item wise valuation is as follows:

Category of Inventory	Basis of Valuation
a) Raw Materials.	At Weighted Average Cost
b) Packing Materials.	At Weighted Average Cost
c) Work-in Process.	At Cost
d) Finished Goods.	At Cost or Net realizable value whichever is Lower

ii) Statement of Cash Flows:

Statement of Cash flows has been prepared in accordance with IAS-7 "Statement of Cash Flow". Cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rule 1987 and as the benchmark treatment of IAS-7, whereby major classes of gross cash receipt and gross cash payments from operating activities are disclosed.

iii) Income Tax:

According to Government gazette no-26.00.0000.100.42.008. 17-54 dated 14-05-2018 no provision is required for income tax of the company's profit as the company has allowed 100% corporate tax holiday from all such taxes with effective from financial year 2016-2017 to 2031- 2032.

Further, The Company's assessment for the income years 2013 and 2014 was completed by DCT. The company filed appeals/ writ petitions to different level of tax authorities on various disputed issues against those assessments. However, at last the company placed the matters to ADR and ultimately ADR settled the issues. The DCT has completed the assessments for those years and due Tax have been provided.

Deferred Tax:

No deferred tax has been charged during the year as per Government gadget no-26.00.0000.100.42.008. 17-54 dated 14-05-2018.

iv) Property, Plant and Equipments:

Recognition and Measurement:

All property, plant, equipment is measured at cost or revaluation less accumulated depreciation less impairment loss, if any. The items of land, building, plant and machinery were revalued in the year 2009 by a firm of professional valuer GK Adjusters Limited on the basis of open market value. Details of revalued amount was as under:

Particulars	Amount
Land & Land Development	9,48,00,000/-
Building	1,05,70,000/-
Plant & Machinery	5,70,000/-
Gas Line Installation & Other Cons.	75,00,000/-
Total	**11,34,40,000/-**

Depreciation:

Depreciation has been charged on straight line method and depreciation is charged to manufacturing expense and administrative expense on pro-rata basis.

Depreciation is charged at the rate varying from 3% to 20% depending on the estimated useful lives of the assets. Depreciation charged on additions made during the year from the date in which those assets are available for use according to IAS 16 Para 55. No depreciation is charged on land and land development. The rate of depreciation applied on straight line method for the current and comparative years are as follows:

Name of Assets	Depreciation Rate	Useful Life
Building	3%	34 Years
Plant & Machinery	10%	10 Years
Furniture & Fixture	10%	10 Years
Office Equipment	20%	05 Years
Lab Equipment	20%	05 Years
Motor Vehicle	20%	05 Year
Gas Line Installation & Other Construction	10%	10 Years

Subsequent Costs:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of the property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

v) **Impairment of Assets:**

Financial Asset:

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effects on these assets. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

Non financial Assets:

The carrying amounts of the entity's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

vi) **Financial risk management:**

Active Fine Chemicals Ltd's activities expose it to a variety of financial risk and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risk. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. Active Fine Chemicals Ltd's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on Active Fine Chemicals Ltd's financial performance.

Active Fine Chemicals Ltd's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risk and adherence to limits by means of reliable and up- to- date information systems. Active Fine Chemicals Ltd's regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

vii) **Product Development Cost:**

This leads to Research & Development Expenses and Development of Products that is definite to yield benefit to the company are capitalized and being amortized over 10 years from 2011 using straight line basis as decided by the Management.

viii) **Investment in Shares:**

Fair value through profit or loss (FVTPL) is the residual category in IFRS 9. A financial asset is classified and measured at FVTPL if the financial asset is:

- A held –for –trading financial assets;
- A debt instrument that does not qualify to be measured at amortised cost or FVOCI;
- An equity investment which the entity has not elected to classify as at FVOCI;

Examples of financial assets that are likely to fall into the FVTPL category include:

- Investments in shares of listed companies that the entity has not elected to account for as at FVOCI;

Derivatives that have not been designated in a hedging relationship, e.g.:

- Interest rate swaps;
- Commodity futures/option contracts;
- Foreign exchange futures/option contracts;
- Investments in convertible notes, commodity linked bonds;
- Contingent consideration receivable from the sale of a business;
- Any other financial assets that fail SPPI.

ix) **Revenue Recognition:**

An entity shall account for a contract with a customer that is within the scope of IFRS - 15 only when all of the following criteria are met:

a) Identify the contract (s) with a customer.
b) Identify the performance obligations in the contract.
c) Determine the transaction price.
d) Allocate the transaction price to the performance obligations in the contracts.
e) Recognize revenuer when (or as) the entity satisfies a performance obligation.

x) **Employee Benefits:** The company's employee benefits include the followings:

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

b) Workers' Profit Participation Fund:
This represents 5% of net profit before tax after charging the contribution as per provision of the Bangladesh Labor Act 2013(Amended in 2013) and is payable to workers as defined in said Law. The company regularly distributes 2/3 of 80% WPPF to its employees and balance the percentage is under process of utilization as per provision of law.

xi) **Foreign Currency Transactions:**
"Foreign Currencies are transacted into taka at the exchange rates ruling on the date of transactions in accordance with IAS-21 **"The effects of changes in foreign exchange rates"."**

xii) **Borrowing Cost/Finance Cost:**
"Finance cost comprises interest expenses on bank loan, finance lease, bank charge and other borrowings. All finance expenses are recognized in the profit or loss and other comprehensive income."

xiii) **Related Party Transaction:**
1)As per para 17 of IAS-24 Related Party Disclosure the Company shall disclose key management personnel compensation in total and for each of the following categories:

a) Short-term employee benefits:
Active Fine Chemicals Ltd. Provide Short term employee benefits such as wages, salaries and bonuses.

b) Post-employment benefits:
Active Fine Chemicals Ltd. has no post–employment benefit such as pensions, other retirement benefit, post-employment life insurance and post-employment medical care.

c) Other long-term benefits:
"Active Fine Chemicals Ltd. has no other long-term benefits such as long-service leave or sabbatical leave, jubilee or other long-service benefits."

d) Termination benefits:
Active Fine Chemicals Ltd. has no termination benefits.

e) Share-based payments:
Active Fine Chemicals Ltd. has no share –based payment.

2) As per Para 18 of IAS-24 Related Party Disclosure are as follows:
a) During the year there was no related party transactions except following transactions in the normal course ofbusiness. The name of the related parties and nature of these transactions have been set out in accordance with the provision of IAS 24: Related Party Disclosure.

Name of Related Party	**Nature of Transactions**		
		Tk.	Tk.
AFC Capital Ltd.	Investment	112,000,000	112,000,000
AFC Solvents Ltd.	Investment	50,000	50,000
AFC Agro Biotech Ltd.	Investment	60,050,000	60,050,000
AFC Agro Biology Ltd.	Investment	100,000	100,000
AFC Health Ltd.	Investment	123,774,000	123,774,000
AFC Health Ltd.	Short Term Loan	-	-

(b) Further AFC Agro Biotech Limited is one of the supplier of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited purchases products Tk.41,867,380 from AFC Agro Biotech Limited . and paid Tk. 42,146,980 against purchases after adjusting payable balance of Tk.5,220,394 and balance payable to AFC Agro Biotech Limited as on 30.06.2022 was Tk. 4,940,794.

c) Further AFC Agro Biotech Limited is one of the customer of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited sales products Tk. 68,904,260/-to AFC Agro Biotech Limited. and collected Tk. 68,474,421/- against sales after balance receiveable to AFC Agro Biotech Limited as on 30.06.2022 was Tk.429,839/-

c) Transaction with key management personal

Key management personal compensation is comprised the followings:

Director's remuneration	3,000,000
Board meeting fees	-
Total	**3,000,000**

"The company's key management personal includes the company's directors. Compensation includes salaries, festival bonus and meeting attendance fees."

xiv) Earnings per Share (EPS):

Earnings per Share (EPS) are calculated in accordance with the International Accounting Standard IAS-33 "Earnings per Share".

Basic earnings per share:

"Earnings per share" has been calculated by dividing the earning attributable to ordinary shareholders of the company by the weighted average number of ordinary sharesoutstanding during the year.

Diluted Earnings per Share:

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

xv) Provisions:

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation on Statement of Financial Position date.

xvi) Advance, Deposits and Prepayments:

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other related account heads such as property, plant and machinery, inventory or expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to statement of profit or loss and other comprehensive income.

xvii) Cash and Cash equivalents:

Cash and Cash equivalents include cash in hand, cash at banks which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same. Cash in hand is verified by Management at the close of the year. The bank balances have been duly reconciled with respective bank statements.

xviii) Contingencies:

Contingencies arising from claims, litigation, assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

xix) Accounts Receivables:

Accounts receivables are initially recognized at cost which is the fair value of the consideration given for them. After initial recognition these are carried at cost, impairment losses due to uncollectible of any amount so recognized is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for credited to the statement of profit or loss and other comprehensive income.

xx) Segment Reporting:

As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

xxi) General:

Figures have been rounded off to the nearest taka, as the currency represented in these financial statements.

	Amount in Taka	
	30-Jun-22	30-Jun-21

2.00 Property, Plant & Equipment :

This consists of as follows:		
Opening balance	8,371,887,810	7,793,667,625
Add: Addition during the year	208,552,365	578,220,185
	8,580,440,175	**8,371,887,810**
Less: Accumulated Depreciation	4,556,039,891	3,608,367,995
	4,024,400,284	**4,763,519,815**

Details have been shown in **Annexure-A**.

The company has got corporate tax holiday for the periods from 2016-17 to 2031-32 vide gazette no. 26.00.0000.100.42.008.17-54 dated 14.05.2018 circulated by Commerce Ministry under the captioned "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding corporate tax holiday against which SRO from National Board of Revenue (NBR) is yet to be obtained. Without consideration of above gazette DCT has been frozen company's bank account in several times of this financial year. For the above reason, The company was bound for cash transaction in some case and was unable to fully comply of Notification no.BSEC/CMRRCD/2003-109/182/Admin/65 under Annexure-G point (k) and Income Tax Ordinance-1984 Section-30(m) & 49(2,3,32).

3.00 Right of Use Assets:

Opening balance	720,000	990,000
Add: Addition during the year	-	-
	720,000	**990,000**
Less: Accumulated Depreciation	270,000	270,000
	450,000	**720,000**

Active Fine Chemical Company Limited leases a car for official use from Union Capital Limited and has also chosen to measure the lease in accordance with IFRS 16. Calculation of leases for which the company is a lessee is presented in **annexure B**.

4.00 Product Development Cost:

This consists of as follows:		
Opening Balance	1,472,477	4,417,429
Add: Addition During the year	-	-
	1,472,477	**4,417,429**
Less: Written off @ 10%	1,472,477	2,944,952
	-	**1,472,477**

This represents expenditure for Research & Development Expenses and Development of Products and is being amortized over 10 years as decided by the Management.

5.00 Investment:

This consists of as follows:			
Investment in Securities-Listed Company	**(Note-5.01)**	60,050,000	60,050,000
Investment in Securities-Un Listed Company	**(Note-5.02)**	235,924,000	235,924,000
		295,974,000	**295,974,000**

		Amount in Taka	
		30-Jun-22	30-Jun-21
6.00	**Inventories:**		
	The break-up is as follows:		
	Raw Materials	794,291,601	718,769,080
	Packing Materials	78,566,820	57,345,098
	Work in process	209,054,483	124,532,897
	Finished goods	482,803,845	366,549,087
		1,564,716,749	**1,267,196,162**

The basis of valuation is stated in Note 1 (1.08.i) In view of innumerable items of inventory and diversified quantities, it is not practical to disclose quantities against each item of inventory.

7.00	**Advances, Deposits & Prepayments:**			
	The break-up is as follows:			
	Advances:			
	Tax Deducted at Sources	**(Note 7.01)**	98,802,390	91,665,216
	Advance Income Tax at Import Stage	**(Note 7.02)**	87,064,385	87,064,385
	Advance VAT	**(Note 7.03)**	83,953,863	86,527,450
	Advance against Constriction		47,550,750	52,050,750
	Advances to Staff		2,693,148	1,216,007
	Advance for Rent and others		4,032,700	4,128,200
	Advance to C & F agents and others		2,415,828	2,679,424
	Sub Total		**326,513,064**	**325,331,432**
	Deposits:			
	Security Money		3,671,869	3,671,869
	L.C Margin		934,729	934,729
	Sub Total		**4,606,598**	**4,606,598**
	Prepayments :			
	Prepayment to Parties/Advance to suppliers		583,967,953	411,691,421
	Sub Total		**583,967,953**	**411,691,421**
	Total		**915,087,615**	**741,629,450**

7.01	**Tax Deduct at Sources:**		
	The break-up is as follows:		
	Opening balance	91,665,216	62,069,362
	Add: Paid during the year	7,137,174	29,595,854
		98,802,390	**91,665,216**
	Less: Adjust during the year	-	-
		98,802,390	**91,665,216**

7.02	**Advance Income Tax at Import Stage:**		
	The break-up is as follows:		
	Opening balance	87,064,385	86,696,824
	Add: Paid during the year	-	367,561
		87,064,385	**87,064,385**
	Less: Adjust during the year	-	-
		87,064,385	**87,064,385**

		Amount in Taka	
		30-Jun-22	30-Jun-21
7.03	**Advance VAT:**		
	The break-up is as follows:		
	Opening balance	86,527,450	82,280,827
	Add: Paid during the year	148,000	5,755,960
		86,675,450	**88,036,787**
	Less: Adjust during the year	2,721,587	1,509,338
		83,953,863	**86,527,450**
8.00	**Accounts Receivable:**	**1,703,497,108**	**1,489,858,781**
	Aging of Accounts Receivables:		
	More than six months	776,794,681	730,030,803
	Less than six months	926,702,427	759,827,978
		1,703,497,108	**1,489,858,781**

I. Accounts Receivable considered good in respect of which the company is fully secured	-	-
II. Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security	1,703,497,108	1,489,858,781
III. Accounts Receivable considered doubtful or bad	-	-
IV. Accounts Receivable due by any director or other officer of the company	-	-
V. Accounts Receivable due by Common Management		
VI. The maximum amount of receivable due by any director or other officer of the company	-	-
Total	**1,703,497,108**	**1,489,858,781**

9.00	**Cash & Cash Equivalents:**		
	Cash in Hand	843,854	1,160,908
	Cash at Bank:	**573,971,707**	**187,514,697**
	Current Accounts	170,485,801	3,642,273
	SND Accounts	403,485,906	183,872,425
		574,815,561	**188,675,605**

Cash and Cash equivalents do not include any foreign currencies in any form, thus no unrealized transaction gain or loss was recognized.

10.00	**Share Capital:**		
	This is made-up as follows:		
	Authorized:		
	30,00,00,000 Ordinary Shares of Tk. 10 each	3,000,000,000	3,000,000,000

	Amount in Taka	
	30-Jun-22	30-Jun-21
Issued and Paid-up Capital:		
A) By Cash:		
4,00,00,000 Ordinary Shares of Tk. 10 each	400,000,000	400,000,000
1,97,37,000 Ordinary Shares of Tk. 10 each	197,370,000	197,370,000
B) By Issue of Bonus Share:		
60,00,000 Ordinary Shares of Tk. 10 each (2010 Stock 15%)	60,000,000	60,000,000
92,00,000 Ordinary Shares of Tk. 10 each (2011 Stock 20%)	92,000,000	92,000,000
1,38,00,000 Ordinary Shares of Tk. 10 each (2012 Stock 25%)	138,000,000	138,000,000
1,38,00,000 Ordinary Shares of Tk. 10 each (2013 Stock 20%)	138,000,000	138,000,000
2,05,07,400 Ordinary Shares of Tk. 10 each (2014 Stock 20%)	205,074,000	205,074,000
3,69,13,320 Ordinary Shares of Tk. 10 each (2015-16 Stock 30%)	369,133,200	369,133,200
3,99,89,430 Ordinary Shares of Tk. 10 each (2016-17 Stock 25%)	399,894,300	399,894,300
3,99,89,430 Ordinary Shares of Tk. 10 each (2017-18Stock 20%)	399,894,300	399,894,300
	2,399,365,800	**2,399,365,800**

Shareholding Position as on 30th June are as follows :

	Number of Shares	Number of Shares
Directors / Sponsors	28,884,588	28,884,588
Institutions	60,296,062	69,821,545
General Shareholders	150,755,930	141,230,447
Total	**239,936,580**	**239,936,580**

A distribution schedule of the above shares are given below as required by the Listing Rules:

Shareholdings	No. of Share holder	Numbers of Share	% of Total Shareholding
Less than 500 shares	5,012	1,281,798	0.53
501 to 5000 shares	10,370	21,078,153	9
5,001 to 10,000 shares	1,836	14,183,695	5.91
10,001 to 20,000 shares	1,186	17,590,491	7.33
20,001 to 30,000 shares	422	106,659,251	4.44
30,001 to 40,000 shares	204	7,277,930	3.03
40,001 to 50,000 shares	149	6,959,058	2.90
50,001 to 1,00,000 shares	242	17,452,372	7.27
1,00,001 to 10,00,000 shares	198	52,017,763	21.68
Over 10,00,000 shares	22	91,436,069	38.11
	19,641	**239,936,580**	**100**

11.00 Share Premium:

The break-up is as follows:		
Opening balance	986,850,000	986,850,000
Add: Received during the year	-	-
	986,850,000	**986,850,000**
Less: Adjust during the year	-	-
	986,850,000	**986,850,000**

		Amount in Taka	
		30-Jun-22	30-Jun-21
12.00 Retained Earnings:			
This is made-up as follows:			
Opening Balance		1,791,895,069	1,750,600,093
Cash Dividend		(10,552,600)	-
Revaluation Surplus Adjustment	**(Note 13.01)**	249,211	3,018,803
Net Profit after Tax		25,910,464	38,276,172
		1,807,502,143	**1,791,895,069**
13.00 Revaluation Surplus:			
This is made-up as follows:			
Opening Balance		102,666,465	105,685,268
		102,666,465	**105,685,268**
Less: Adjustment during the year	**(Note 13.01)**	249,211	3,018,803
		102,417,254	**102,666,465**

13.01 Adjustment During the Period:

Details are presented below:

Particulars	Revaluation Surplus 01/07/2021	Depreciation Adjustment	Revalution Surplus 30/06/2022
Land & Land Development	94,800,000	-	94,800,000
Building	7,677,656	230,330	7,447,326
Plant & Machinery	188,809	18,881	169,928
Gas Line Installation & Other Cons.	-	-	-
	102,666,465	**249,211**	**102,417,255**

14.00 Deferred Tax Liability:			
This is made-up as follows:			
Opening Balance		64,699,780	64,699,780
Add: Provision made		-	-
		64,699,780	64,699,780
Less: Adjustment during the period		-	-
		64,699,780	**64,699,780**
15.00 Long Term Loan-Secured:			
Loan from Bank:			
National Bank Ltd.		195,265,245	195,265,245
		195,265,245	**195,265,245**
16.00 Lease Liabilities:			
This is made-up as follows:			
Non Current portion of lease liabilities		**653,202**	**903,916**

The above balance represents lease liabilities of Car Lease from Union Capital for which right of use assets has been recognised during the year.

	Amount in Taka	
	30-Jun-22	30-Jun-21

17.00 Short term Loans:

This consists of as follows:

Loan from Bank:

Brac Bank Ltd.	154,009,551	148,831,090
Dhaka Bank Ltd.	84,617,922	82,488,994
Lanka Bangla Finance Ltd.	55,245,820	53,851,965
IDLC Finnace Ltd.	-	2,523,825
Uttara Finance Ltd.	42,111,796	41,107,317
Union Capital Ltd.	29,405,498	30,865,686
MTBL Ltd.	898,566,359	825,012,824
National Bank Ltd.	1,568,048,486	1,397,529,118
	2,832,005,433	**2,582,210,819**

18.00 Long Term Loan-Current Portion:

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from July 2022 and consists of the followings :

Loan from Bank:

National Bank Ltd.	161,249,614	148,621,532
	161,249,614	**148,621,532**

19.00 Lease Liabilities_Current Portion:

This is made-up as follows:

Lease Liabilities	**307,054**	**56,340**

This represents current portion of lease liabilities which are repayable within next 12 months from July

20.00 Provision for Tax:

The break-up is as follows:

Opening Balance	316,733,758	344,754,438
Addition during the period	22,675,808	19,479,320
	339,409,566	**364,233,758**
Less: Payment during the period	-	47,500,000
	339,409,566	**316,733,758**

Provision for tax has not been made based on gazette No- 26.00.0000.100.42. 008.17-54 dated 14-05-2018 by Commerce Ministry under the caption "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding tax exemption to be effected from financial year 2016-17 to 2031-32 and the meeting munite in Ministry of Commerce no: 26.00.0000.10042.008.17-177 and susequent SRO from on October 11, 2021.

		Amount in Taka	
		30-Jun-22	30-Jun-21
21.00 Liabilities for Expenses & Others:			
The break-up is as follows:			
Salary & Remuneration		6,982,222	5,115,341
Utility Bill		573,398	532,105
Audit Fees		1,325,000	1,325,000
AGM Expenses		850,000	850,000
Provision for accounts receivable	**(Note 21.01)**	101,507,560	49,362,502
		111,238,181	**57,184,948**
Add: Accounts Payable & other Payable		15,985,467	11,977,034
		127,223,648	**69,161,982**

This represents amount payable to regular suppliers of raw materials, packing materials, promotional materials etc. All suppliers were paid on a regular basis.

21.01 Provision for Accounts Receivable:

The break-up is follows

Opening Balance	49,362,503	12,116,033
Add: Provision made during the year	52,145,057	37,246,470
	101,507,560	**49,362,503**

During the year, management of the compnay made a provision @ 3.5 % of outstanding accounts receivbale considering the expected lifetime credit loss in accordance with para 5.5.2 of IFRS 9. See also note # 1.08(vi).

22.00 Dividend Payable:

The break-up is as follows:

Opening balance	36,840,262	59,804,043
Add: Addition during the period	10,552,600	-
	47,392,862	**59,804,043**
Less: Payment during the period	40,064,775	22,963,781
	7,328,087	**36,840,262**

During the year AFCL dividend paid TK. 40,064,775 including Tk. 26,596,164/- against unclaimed or undistribusted or unsettled dividend of AFCL to the Capital Market Stabilization Fund (CMSF) Account No. SND A/C: 0010311521301, Community Bank Bangladesh Ltd.

23.00 Liabilities for Other Finance:

This is made-up as follows:

Contribution to WPPF	**(Note:23.01)**	54,664,490	53,775,323
Dividend payable	**(Note:23.02)**	-	-
		54,664,490	**53,775,323**

		Amount in Taka	
		30-Jun-22	30-Jun-21
23.01 Contribution to WPPF:			
The break-up is as follows:			
Opening balance		53,775,323	103,592,548
Add: Addition during the period		2,429,314	2,887,775
		56,204,637	**106,480,323**
Less: Payment during the year		1,540,147	52,705,000
		54,664,490	**53,775,323**
24.00 Net Turnover:			
Sales		1,671,647,891	1,821,259,231
		1,671,647,891	**1,821,259,231**
25.00 Cost of Goods Sold:			
This is arrived as follows:			
Opening W I P		124,532,897	107,250,433
Raw Material consumed	**(Note:25.01)**	589,576,040	749,644,182
Packing Material consumed	**(Note:25.02)**	49,578,449	86,255,733
Less: Closing W I P		209,054,483	124,532,897
Total Consumed		**554,632,903**	**818,617,451**
Add: Factory Overhead	**(Note:25.03)**	862,824,047	825,676,255
Cost of Production		**1,417,456,950**	**1,644,293,706**
Add: Opening Finished Goods		366,549,087	182,550,300
Finished Goods Available		**1,784,006,037**	**1,826,844,006**
Less: Closing Finished Goods		482,803,845	366,549,087
Less: Stock Damage		448,243	328,765
Less: Cost of Sample		471,643	356,980
Cost of Goods Sold		**1,300,282,306**	**1,459,609,174**
25.01 Raw Material Consumed:			
The break-up is as follows:			
Opening Raw Materials		718,769,080	430,402,098
Add: Purchase Raw Materials		665,098,561	1,038,011,164
Less: Closing Raw Materials		794,291,601	718,769,080
		589,576,040	**749,644,182**
25.02 Packing Material Consumed:			
The break-up is as follows:			
Opening Packing Materials		57,345,098	45,594,231
Add: Purchase Packing Materials		70,800,171	98,006,600
Less: Closing Packing Materials		78,566,820	57,345,098
		49,578,449	**86,255,733**

		Amount in Taka	
		30-Jun-22	30-Jun-21
25.03	**Factory Overhead:**		
	This consists of as follows:		
	Car Maintenance	583,120	332,008
	Carrying Exp.	118,695	70,811
	Depreciation	805,521,112	768,668,809
	Donation	5,557	1,250
	Entertainment Expenses	1,729,092	1,889,026
	Fuel, Patrol & Lubricant	1,779,194	2,066,402
	Rent	1,589,500	1,946,800
	Insurance Premium	457,333	648,124
	Lab Materials	102,080	99,399
	Medical Exp	110,080	118,200
	Municipal Tax	128,519	16,755
	Other Expenses	198,156	203,810
	Printing & Stationery Expenses	445,699	554,284
	Repair & Maintenance Expenses	1,014,693	1,051,310
	Research & Development Exp.	**19,462,996**	18,294,549
	Salary & Allowance	24,569,293	23,499,754
	Stock Damage	448,243	328,765
	Telephone & Postage Exp.	109,694	180,830
	Traveling & Conveyance Expenses	544,523	642,863
	Uniform Purchase	6,500	4,000
	Utility Bill	3,899,968	5,058,506
		862,824,047	**825,676,255**
26.00	**Administrative Expenses:**		
	This consists of as follows:		
	Audit Fees	1,325,000	1,325,000
	AGM Expenses	850,000	850,000
	Bank Charge & CDBL Fee	1,305,980	1,211,325
	Books & periodicals	4,870	7,734
	Car Maintenance	897,885	896,378
	Depreciation	142,150,784	135,647,437
	Director Remuneration	1,500,000	1,500,000
	Donation	78,886	49,875
	Entertainment Expenses	1,609,153	1,593,805
	Fuel, Patrol & Lubricant	1,106,765	1,059,686
	Legal Expenses	433,500	205,500
	News Paper Bill	7,600	4,289
	Rent	2,474,750	2,527,550
	Other Expenses	210,767	165,765
	Printing & Stationery Expenses	573,960	586,599
	Product Development Cost (Written off)	1,472,477	2,944,952
	Repair & Maintenance Expenses	286,304	259,885
	Registration & Renewal	830,181	1,294,889
	Regulatory Fees	1,396,250	2,905,000
	Salary & Allowance	20,813,834	21,101,064
	Telephone & Postage Expenses	200,475	193,718
	Travelling & Conveyance Expenses	2,266,394	2,194,737
	Web Development	2,200	5,200
	Utility Bill	785,526	904,677
	Depreciation Right of use assets	270,000	270,000
	Provision for accounts receivable	52,145,057	37,246,470
		234,998,599	**216,951,534**

	Amount in Taka	
	30-Jun-22	30-Jun-21
27.00 Selling & Distribution Expenses:		
This is made-up as follows:		
Advertisiment Exp.	774,074	955,990
Car Maintenance	188,173	216,720
Carrying Charge	104,838	98,950
Director Remuneration	1,500,000	1,500,000
Entertainment Expenses	677,274	638,567
Export Expenses	5,004,741	9,830,489
Fuel, Patrol & Lubricant	317,389	291,065
Marketing & Promotional Exp.	826,265	1,044,000
News Paper Bill	5,854	2,518
Other Expenses	70,055	63,235
Rent	957,250	1,337,000
Printing & Stationery Expenses	152,585	185,670
Repair & Maintenance Expenses	21,880	18,500
Salary & Allowance	14,456,872	13,783,271
Sample cost	471,643	356,980
Telephone & Postage Expenses	144,973	146,566
Travelling & Conveyance Expenses	438,191	597,998
Utility Bill	475,089	422,074
	26,587,146	**31,489,593**
28.00 Finance Cost:		
This is made-up as follows:		
Brac Bank Ltd.	7,428,461	13,552,220
Dhaka Bank Ltd.	6,628,925	9,038,993
National Bank	170,157,980	133,534,106
Lanka Bangla Finance Ltd.	8,046,687	7,749,832
IDLC Finnace Ltd.	277,860	389,337
Uttara Finance Ltd.	1,004,479	2,883,301
Union Capital Ltd.	4,893,131	5,128,497
MTBL	80,503,597	74,965,128
Union Capital Ltd_Right of use assets	134,726	133,649
	279,075,846	**247,375,063**
29.00 Other Income:		
This is made-up as follows:		
Sale of Scrap	-	-
Incentive	226,639,000	194,793,200
Bank Interest	52,924	-
Realised Gain/(Loss) on Exchange Rate Change	(6,380,333)	16,200
	220,311,591	**194,809,400**

		Amount in Taka	
		30-Jun-22	30-Jun-21
30.00 Income Tax Expenses:			
This is made-up as follows:			
Provision for Current Tax:	**(Note-30.01)**	22,675,808	19,479,320
Provision for Deferred Tax:		-	-
		22,675,808	**19,479,320**

30.01 Provision for Current Tax

This is made-up as follows:

Particulars	Applicable Tax Rate		
Sale of Scrap	22.5%	-	-
Export Incentive	10%	22,663,900	19,479,320
From Bank Interest	22.5%	11,908	-
Gain on Exchange Rate Change	22.5%	-	-
		22,675,808	**19,479,320**

31.00 Basic Earning Per Share:			
The computation is given below:			
Net Profit After Tax		25,910,464	38,276,172
Number of share outstanding during the year	**(Note-31.01)**	239,936,580	239,936,580
Earning Per Share		**0.11**	**0.16**
31.01 Number of shares is calculated below:			
Number of shares outstanding during the year		239,936,580	239,936,580
Total		**239,936,580**	**239,936,580**
32.00 Net Assets Value Per Share:			
Net Assets	**(Note-32.01)**	5,296,135,197	5,280,777,334
Number of share outstanding during the year		239,936,580	239,936,580
Net Assets Value Per Share		**22.07**	**22.01**
32.01 Net Assets:			
Total Assets		9,078,941,315	8,749,046,291
Total Liabilities		3,782,806,118	3,468,268,957
Net Assets		**5,296,135,197**	**5,280,777,334**
33.00 Net Operating Cash Flow Per Share:			
Net cash generated from operating activities		372,064,398	(182,995,671)
Number of share outstanding during the year		239,936,580	239,936,580
Net Operating Cash Flows Per Share		**1.55**	**(0.76)**

	Amount in Taka	
	30-Jun-22	30-Jun-21

34.00 Reconciliation of Net Profit with Cash Flow from Operating Activities:

Particulars	July 2021 To June 2022	July 2020 To June 2021
Net Profit after tax	25,910,464	38,276,172
Adjustment for:		
Depreciation on property, plant and equipment	947,671,896	904,316,246
Written off	1,472,477	2,944,952
Increase/ Decrease Inventories	(297,520,587)	(501,399,100)
Increase/ Decrease Advance Deposit & Prepayments	(173,458,164)	(302,095,986)
Increase/ Decrease Trade and other receivables	(213,638,327)	(278,255,485)
Increase/ Decrease Provisions for current tax	22,675,808	(28,020,680)
Increase/ Decrease liabilities for expense & Services	58,061,668	31,055,435
Increase / Decrease Liabilities for Other Finance	889,167	(49,817,225)
Net Cash Generated from operating Activities	**372,064,400**	**(182,995,671)**

35.00 Capital Expenditure Commitment:

There was no material capital expenditure authorized by the Board but not contracted for at 30th June 2022

36.00 Claim not acknowledged as Debt:

There was no claim against the company not acknowledged as debt as on 30th June 2022.

37.00 Un-availed credit Facilities:

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30th June 2022.

38.00 Number of Employees:

The number of employees engaged for the whole year who received a total remuneration of Tk. 3,000 and above per month was 289 for the whole year.

39.00 Contingent liability:

A contingent liability is a possible obligation that arises from past events and whose existance will be comfirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or;

A present obligation that arise from past events but is not recognized because:

i) it is not probable that an outflow on resources embodying economic benefits will be required to settle the obligation: or

ii)The amount of the obligation cannot be measured with sufficient reliability.

Tax assessment of Active Fine Chemicals Ltd. for the assessment year 2016-2017 has been completed by DCT and tax liability assessed at Tk. 300,770,035 as per demand notes but the company appealed to commissioner of Tax (Appeal) which is in the process of finalization in the various stage. The return for assessment years 2017-2018 , 2018-2019 & 2019-2020 have been submitted to DCT.

40.00 Related party Transaction:

During the year there are no related party tranactions except investment in associated companies, in the normal course of business. The name of the related parties and nature of these transaction have been set out in accordance with the provision of IAS 24: Related Party Disclosure.

Name of Related Party	Nature of Transactions	30.06.22	30.06.21
AFC Capital Ltd.	Investment	112,000,000	112,000,000
AFC Solvents Ltd.	Investment	50,000	50,000
AFC Agro Biotech Ltd.	Investment	60,050,000	60,050,000
AFC Agro Biology Ltd.	Investment	100,000	100,000
AFC Health Ltd.	Investment	123,774,000	123,774,000
AFC Health Ltd.	Short Term Loan	-	-

(b) Further AFC Agro Biotech Limited is one of the supplier of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited purchases products Tk.41,867,380 from AFC Agro Biotech Limited and paid Tk. 42,146,980 against purchases after adjusting payable balance of Tk.5,220,394 and balance payable to AFC Agro Biotech Limited as on 30.06.2022 was Tk. 4,940,794.

c) Further AFC Agro Biotech Limited is one of the customer of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited sales products Tk. 68,904,260/- to AFC Agro Biotech Limited. and collected Tk. 68,474,421/- against sales after balance receiveable to AFC Agro Biotech Limited as on 30.06.2022 was Tk.429,839/-

(c) Related party transaction took place during normal course of business with AFC Agro Biotech Limited.

(d) Transaction with key management personal

Key management personal compensation comprised the followings:		
Director's Remuneration	3,000,000	3,000,000
Board meeting fees	-	-
	3,000,000	**3,000,000**

The company's key management personal includes the company's directors. Compensation includes salaries, festival bonus and meeting attendance fees.

41.00 Events after the balance sheet date:

Date of Authorization:

(a) The Board of Directors of Active Fine Chemicals Limited authorized these Financial Statements for the year ended June 30, 2022 in its 217th Board Meeting held on October 29, 2022.

(b) The Board of Directors at the 217th Board Meeting held on 29th October, 2022 recommended 0.25% Cash dividend excluding Board of Directors. This will be considered for approval by the shareholders at the 17th Annual General Meeting (AGM).

(c) There has been no significant event other than above & normal activities between the financial year closing date and Financial Statement signing date.

5.01 Investment in Securities-Listed Company:

Name of Company	No. of Shares	30.06.2022			% of Share Holding	30.06.2021		
		Cost Value	Market Value	Unrealized gain / loss		Cost Value	Market Value	Unrealized gain / loss
Listed Company:								
AFC Agro Biotech Ltd.	9,761,014	60,050,000	60,050,000	-		60,050,000	60,050,000	-
Sub Total	**9,761,014**	**60,050,000**	**60,050,000**	**-**		**60,550,000**	**60,050,000**	**-**

Shares of AFC Agro Biotech Ltd. has been shown at cost price and value of Bonus share is not accounted for since all of Share has been locked in and was not saleable as on 30 June 2022. (As per SEC notification number SEC/SRMIC/2011/1240/634, dated March 11, 2018)

5.02 Investment in Securities-Un Listed Company:

Name of Company	30.06.2022			% of Share Holding	30.06.2021		
	No. of Shares	Cost Value	Unrealized gain / loss		No. of Shares	Cost Value	Unrealized gain / loss
Un-Listed Company:							
Subscription for Shares:							
AFC Capital Ltd.	1,120,000	112,000,000	-	47.69	1,120,000	112,000,000	-
AFC Solvents Ltd.	5,000	50,000	-	12.50	5,000	50,000	-
AFC Agro Biology Ltd.	10,000	100,000	-	1.06	10,000	100,000	-
AFC Health Ltd.	12,377,400	123,774,000	-	17.68	12,377,400	123,774,000	-
Sub Total	**13,512,400**	**235,924,000**	**-**		**13,512,400**	**235,924,000**	**-**

Active Fine Chemicals Ltd.
Schedule of Fixed Assets
As at 30 June, 2022

Annexure-A

Sl. No.	Particulars	COST			Rate	DEPRECIATION			Written Down Value as on 30.06.2022
		Opening Balance as on 01.07.2021	Addition during the year	Total 30.06.2022		Opening Balance as on 01.07.2021	Charged during the year	Total 30.06.2022	
1	Land & Land Development	278,234,881	-	278,234,881	0%	-	-	-	278,234,881
2	Building	854,745,580	4,505,600	859,251,180	3%	152,464,485	25,709,951	178,174,436	681,076,744
3	Plant & Machinery	5,146,931,657	96,074,125	5,243,005,782	10%	1,944,099,216	517,095,019	2,461,194,234	2,781,811,548
4	Furniture & Fixture	51,023,238	1,371,700	52,394,938	10%	29,239,175	5,170,909	34,410,084	17,984,854
5	Office Equipment	42,876,028	8,271,090	51,147,118	20%	41,709,623	9,402,315	51,111,937	35,181
6	Laboratory Equipment	1,926,886,050	98,329,850	2,025,215,900	20%	1,369,665,148	390,293,703	1,759,958,850	265,257,050
7	Motor vehicle	60,162,400	-	60,162,400	20%	60,162,371	-	60,162,371	29
8	Gas Line Installation & Other Cons.	11,027,976	-	11,027,976	10%	11,027,978	-	11,027,978	(2)
	Total	**8,371,887,810**	**208,552,365**	**8,580,440,175**		**3,608,367,995**	**947,671,896**	**4,556,039,891**	**4,024,400,284**

Note:

Allocation of depreciation charged during the year:

Head of Accounts	Proporation	Amount
Manufacturing Expenses	85%	805,521,112
Administrative Expenses	15%	142,150,784
	100%	**947,671,896**

ACTIVE FINE CHEMICALS LIMITED

Proxy Form

Revenue Stamp

I/We……of……..…. …… being a Member of Active Fine Chemicals Limited, hereby appoint Mr./Mrs.……Of…….... as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **17th Annual General Meeting** of the Company to be held on Thursday, 29th December, 2022 and at any adjournment thereof.

As witness my hand this ……..…Day of December 2022

Signature of Proxy …….....

Signature of Member …….....

Register Folio of Member

Note: The proxy form duly completed must be deposited at the Company's Share Office, Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000, not later than 48 hours before the time fixed for the meeting.