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Output Agro 2022

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 (s)
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,

Sabekun Nahar
Sabekun Nahar
Company Secretary

Notice of the 12th Annual General Meeting

Notice is hereby given that the 12th Annual General Meeting of the Shareholders of AFC Agro Biotech Limited will be held on Thursday, 29th December 2022 at 10.00 A.M through Digital Platform Link: **https://afcagro2022.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 approve the appointment of Chairman of the company.
4. To re-elect the Directors of the Company.
5. To approve the appointment of Independent Directors.
6. To appoint Auditor of the Company and fixation of their remuneration for the year 2022-2023.
7. To approve appointment of Compliance Auditor.

Date: Dhaka
29th October, 2022

By order of the Board of Directors

Sabekun Nahar
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://afcagro2022.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 AFC Agro Biotech 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.afcagrobiotech.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 biotech sector



Our mission

To establish AFCABL as a major biotech products manufacturer on the world map. AFCABL will be emerging as a backward supply chain industry to local pharma sector, food sector etc.



Our Objectives

Using locally available agricultural outputs such as corn starch, potato starch, molasses, we will produce various products that are very important for pharma, food, textile sectors. Thus these manufacturing will save a lot of foreign currencies and create new plenty of white collar jobs. AFCABL will create a positive high impact on national economy.



Performance at a glance

Net turnover 2021-2022
Tk.70.18 crore
Δ
Net turnover 2020-2021
Tk. 45.26 crore

Gross profit 2021-2022
Tk.16.25 crore
Δ
Gross profit 2020-2021
Tk. 10.39 crore

Operating Profit 2021-2022
Tk.4.59 crore
Δ
Operating Profit 2020-2021
Tk. 3.25 crore

Net profit before tax 2021-2022
Tk. 2.56 crore
Δ
Net profit before tax 2020-2021
Tk. 1.76 crore

Net profit after tax 2021-2022
Tk.2.56 crore
Δ
Net profit after tax 2020-2021
Tk. 1.76 crore



Corporate Directory

Business & Liaison Office	AFC Agro Biotech Limited House # 87-89, Road # 04, Block –B, Niketon, Gulshan – 1, Dhaka. Phone: 8836830, 8836843, Fax: 088-02-9531023. Web Site: www.afcagrobiotech.com
Registered Office	Navana Osman@Link 214/D, Gulshan-Tejgaon Link Road, Dhaka-1208. Phone: 8836875, 8836854
Share Office	Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka. Phone: 9531023, 9531190 Email. afc.cs2018@gmail.com
Factory	Uttar Shoilmary, Koiya Bazar, Batiaghata, Khulna.
Memorable events	Date of Incorporation : 31st August, 2010 Date of Commercial Production : 7th October, 2012 Consent for IPO from SEC : 27th October,2013 Listing with Stock Exchanges(DSE & CSE) : 3rd February, 2014
Business Line	Manufacturer of antibiotics, proteins, vaccines, enzymes etc.
Capital Structure	Authorized Capital BDT 300 Crore Paid-up Capital BDT 115.21 Crore
Last AGM Held	December 23, 2021
Auditor	khan Wahab Shafique Rahman & Co.
Legal Advisor	Haque, Hasan, Ahmed & Associates, Advocate & Consultants
Bankers	Janata Bank Ltd. Mutual Trust Bank Ltd. Uttara Finance and Investment Ltd. South Bangla Agriculture & Commerce Bank Ltd. Premier Bank Ltd. Islami Bank Bangladesh Ltd. Simanto Bank Ltd.



Board of Directors:

S.M. Saifur Rahman	Chairman
Md. Afzal	Managing Director
Md. Zia Uddin	Director
Jewel Khan	Director
Tanvir Shariar Ghani	Director
Md. Sarwar Hossain	Independent Director
Md. Shahiduzzaman	Independent Director
Md. Alamgir Hossain	Independent Director

Audit Committee:

Md. Sarwar Hossain	Chairman
Jewel Khan	Member
Md. Shahiduzzaman	Member
Sabekun Nahar	Secretary

Nomination and Remuneration Committee:

Md. Sarwar Hossain	Chairman
Jewel Khan	Member
Md. Shahiduzzaman	Member
Sabekun Nahar	Secretary

Company Secretary

Sabekun Nahar

Management Team :

Khandakar Ruhul Amin	Chief Financial Officer
Md. Azizur Rahman	Head of Internal Audit and Compliance
Mohammad Qutub Uddin	Head of Plant Operation
Md. Yaseer Arafat	Plant In Charge (Microbiology)
Mir Md. Harun-or-Rashid	AVP (Marketing Dept.)
Dr Mizanur Rahman	General Manager- R&D
Shourav May Ghosh	Sr. Manager-Admin
Md. Mahbobor Rahman	Manager - HR & Admin



Five Years Financial Highlights

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	1,203,955,609	1,411,664,335	1,646,616,746	1,600,853,367	1,311,747,579
Investment	11,000,000	11,000,000	11,000,000	11,000,000	22,600,000
Current Assets	1,341,363,750	903,176,865	696,869,492	715,884,763	592,431,157
Total Assets	**2,556,319,359**	**2,325,841,200**	**2,354,486,238**	**2,327,738,130**	**1,926,778,736**
Share Holders' Equity	2,096,032,181	2,074,383,465	2,056,733,897	2,019,998,179	1,682,597,994
Non-Current Liabilities	221,156,252	16,968,035	16,968,035	16,968,035	16,968,035
Current Liabilities	239,130,926	234,489,700	280,784,306	290,771,916	227,212,708
Total Share Holders' Equity & Liabilities	**2,556,319,359**	**2,325,841,200**	**2,354,486,238**	**2,327,738,130**	**1,926,778,736**
Net Turnover	701,880,767	452,636,381	553,783,055	1,091,567,738	1,035,593,945
Gross Profit	162,506,420	103,993,179	133,810,908	427,501,875	404,165,886
Net Profit before Tax	25,675,109	17,664,395	36,581,039	340,361,963	316,224,334
Net Profit after Tax	25,632,393	17,644,728	36,514,149	337,398,047	356,775,412
Earnings Per Share:	0.22	0.15	0.32	3.22	3.41

Introducing the Directors

S.M Saifur Rahman, Chairman

Mr. Rahman was born in 1979 at Dhaka in a reputed business family. He has a very strong background in scientific research in chemicals technology. He holds the position of Managing Director and Chief Scientist at Active Fine Chemicals Ltd. 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. 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. 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 a Director of AFC Health Limited and AFC Capital Limited.

Md. Afzal, Managing Director

Md. Afzal is a Managing 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 a Director of Active Fine Chemicals Limited and AFC Capital Limited.

Md. Zia Uddin, Director

Mr. Md. Zia Uddin 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 Active Fine Chemicals Limited and 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. Jewel Khan, Director

He is one of the Directors of AFC Agro Biotech Limited. Mr. Jewel completed his BBA from University of Windsor, Windsor, Canada and has been associated with Jewel Khan Traders the Textile Chemical Seller and played a key role at Jewel Sons Garments the Kids Wear Manufacturer as an entrepreneur and enriched the garments sector with his business background and valuable professional experience in the exciting space of Garments sector. He has a deep commitment to making a difference in this sector. The creation of strategic alliances, and strategic planning of his, to indicator of our continuous efforts to develop the core team to help achieve the mission of the Company. He is also Managing Director of AFC Health Limited.

Mr. Tanvir Shahriar Ghani, Director

Tanvir Shahriar Ghani is a highly accomplished investment banker. He has been working in investment banking sector from many years. He served as an investment banker at Goldman Sachs, USA. He served as Head of Asian Hedge fund & Private Equity Capital Market Group. He graduated from Colombia University USA. He worked as a speech writer of Kofi Anan (the then General Secretary of UN).

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. Major General Sarwar held a number of operational, staff and instructional appointments during his 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. Md. Alamgir Hossain, Independent Director

Mr. Md. Alamgir Hossain had excellent academic career as he secured the first position in the undergrad and graduate program from the Management Department at the University of Dhaka in the academic results. He received his Master's in Business Administration (MBA) from Monash University, Australia, with Distinction. Mr. Hossain also had opportunities to serve as a Faculty member in the most reputed universities in the country, including the University of Dhaka. Mr. Hossain, retired Member of National Board of Revenue, has intensive experience in administrative as well as policy formulation in the field of revenue administration in Bangladesh. He held different positions from field administration to policy-making. He was also involved in the budget preparation and presentation to the appropriate authority. He also served as a Member of Financial Reporting Councils. He had enormous opportunities to work on significant local and international agencies including the financial institutions in the public and private sectors.

Directors of AFC Agro Biotech Ltd. Involved in other organizations:

S.M. Saifur Rahman	Managing Director of Active Fine Chemicals Limited and Director of AFC Health Limited and AFC Capital Limited.
Md.Afzal	Director of Active Fine Chemicals Limited and AFC Capital Limited
Md. Zia Uddin	Chairman of Active Fine Chemicals Limited & 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.
Jewel Khan	Managing Director of AFC Health Limited, he is also associated with Jewel Khan Traders the Textile Chemical Seller and played a key role at Jewel Sons Garments the Kids Wear Manufacturer as an entrepreneur.
Tanvir Shahriar Ghani	Head of Asian Hedge fund & Private Equity Capital Market Group.
Md. Shahiduzzaman	He is an Independent Director of Mostafa Metal Industries Ltd. and Active Fine Chemicals Limited.
Md. Alamgir Hossain	He is an Independent Director of Agrani Insurance Co. Ltd

Message from the Chairman



Dear Shareholders,

I welcome you all to the 12th Annual General meeting of the company and to take this opportunity to present before you the Annual Report together with the Audited Financial Statements and Auditors Report thereon for the year 2021-2022 for your kind consideration and approval. I hope everyone has received the Report and had the opportunity to review the operational results of the Company.

In the year 2021-2022, Net Profit after Tax is Tk. 2.56 crore and Earning per Share is Tk.0.22. In consideration of that, the Board of Directors is pleased to recommend a dividend for you. At present we are passing through a hard and challenging time. But we hope that it will be possible to achieve the desired level of profit by our combined efforts. We are determined to win the patronage of our customers, suppliers, and employees with long-lasting relationships. The Audit Committee and the Nomination and Remuneration Committee have carried out their respective responsibilities with utmost sincerity and diligence. On behalf of the Board, I like to thank the Chairman and members of both committees for their sincere efforts and valuable contribution.

On behalf of the Board of Directors, I would like to thank each of our shareholders and all other stakeholders for their continued support and confidence in our management team as we continue our path toward sustainability and growth.

Sincerely,

S.M.Saifur Rahman
Chairman



Message from the Managing Director

Bismilla-Hir-Rahmanir Rahim.

Dear Shareholders,

AFC Agro Biotech is committed to excellence in Quality Standards by continuous improvement of our systems, processes, adjusting and adapting to customer needs whilst remaining dedicated in our efforts for Best Quality Performance. We have developed a technical team with rich experience in the fields of Chemical, Mechanical and Electrical Engineering, Microbiology, Biotechnology, Organic and Analytical Chemistry and Environmental Sciences. Agro Biotech is committed to manufacturing excellence.

We are determined to win the patronage of our customers, suppliers, and employees with long-lasting relationships. By the involvement of the employees at all levels, the company provides a high degree of assurance that every person is aware of the requirements and is doing his/her part to assure that each area within the company is in regulatory compliance.

On behalf of the Board of Directors, I want to offer my warm thanks to all employees of the company, our respected shareholders, valued customers, banks, patrons, drug administration, BSEC, DSE, CSE and all others concern for their invaluable support and tremendous response to the company.

Sincerely Yours,

Md. Afzal
Managing Director

Report of the Board of Directors to the Shareholders

Dear Shareholders,

Welcome to the 12th Annual General Meeting of AFC Agro Biotech 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:

AFC Agro Biotech Limited (AFCABL) was established on 31st August, 2010 as a public limited company with a vision to produce the antibiotics, proteins, vaccines, enzymes etc. AFCABL has set up a multi-purpose chemicals manufacturing facility at Uttar Shoilmary, Koiya Bazar, Batiaghata, Khulna. The plant is established on the 3.00 acre land. The company has started its commercial production on 7th October, 2012.

Business Activities:

AFCABL has been established with the target to manufacture antibiotics, proteins, vaccines, enzymes, etc. from agricultural ingredients like molasses, glucose, potato starch and other nutrients and to sell those products to local markets. Raw materials will be procured mostly from local suppliers. The company is producing the following products as Biological Assets.

Sl. No.	Name of the Products
1.	Macrolide Protein
2.	Acetic Acid
3.	Feed Enzymes
4.	Rt-PCR test kits
5.	Tacrolimus
6.	Various Industrial Enzyme

Net Turnover for the year ended 30th June, 2022 is Taka 70.18 crore and last year's turnover of Taka 45.26 crore. Profit after tax for the year ended 30th June, 2022 is Taka 2.56 crore and last year's profit after tax was Taka 1.76 crore.

Industry outlook and possible future development in the industry:

Biotech sector has a very strong outlook in the world economy in the coming days. Bangladesh imports a very large amount of biotech products every year ranging from pharmaceuticals, food, feed, textile and leather enzymes etc. Since raw materials to manufacture these products are locally and readily available, this sector seems to hold very strong potential. Particularly pharma products are very important to emphasize.

All biological products such as macrolide group antibiotics, cephalosporin group antibiotics, penicillin group antibiotics, all kinds of steroids, most of the cancer drugs, human insulin, human growth hormone, immunosuppressive drugs, and vaccines are born out of fermentation or cell biotechnology. We need to realize TRIPS treaty will put us in a very difficult situation if we do not have our own robust manufacturing sector for these products. Hence it is important to invest in these critical industries and make them sustainable.

We have launched new enzymes that are used in various laboratory testings. We have developed feed enzymes that are essential for poultry feed industry. Market potentials for feed enzymes are excellent. We look forward for strong growth in this sector. We have also developed Bio-fertilizers and Bio-Pesticides. these group of products can replace chemical fertilizers and chemical based pesticides.

We have partnered with Dhaka University and NRB scientists to develop various vaccine. Honorable Prime Minister has given green signal to our request for this project. Dhaka University will build a vaccine development center. AFCABL will be a partner in developing various Human and animal vaccines. We believe this vaccine project can bring a new era in the biotech sector of Bangladesh.

Segment Report:

AFC Agro Biotech Limited operates its business under a single segment.

Risks and Concerns:

Creating long-term value for shareholders, shielding its employees from potential hazards, and protecting the environment are the three critical goals of AFC Agro Biotech. Ability to achieve every milestone on time is a concern. AFC Agro Biotech has an equally effective Risk Management mechanism to deal with the financial and credit risks. AFC Agro Biotech significantly minimizes the risks to financials stemming from currency fluctuations, fluctuation in the raw material prices, and that in the prices of its finished products as well.

AFC Agro Biotech is committed to protecting the environment and public health and livelihood. Through process excellence, AFC Agro Biotech reduces its emission count and ensures that effluents are adequately treated before releasing them in the environment.

Overall, AFC Agro Biotech building up large pool of knowledge work force is also a matter of concern. Success of such knowledge based industry largely depends on strong force. AFC Agro Biotech will put a lot of emphasize build our human resource to achieve our goals on time. AFC Agro Biotech endeavours to improve predictability in its processes, reduce operational risks and enhance the quality of product that leads to superior performance of the organization on all fronts.

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

The Statement of Comprehensive Income shows that the Cost of Goods Sold for the year ended 30th June, 2022 is Tk. 53.93 crore against Tk. 34.86 crore for the last year. Gross Profit for the year ended 30th June, 2022 is Tk. 16.25 crore against Tk. 10.39 crore for the last year. Net Profit after tax for the year ended 30th June, 2022 is Tk. 2.56 crore against Tk. 1.76 crore for the last year.

Continuity of any Extra-Ordinary Gain or Loss:

AFC Agro Biotech Limited has no any Extra-Ordinary Gain or Loss for the year ended 30th June, 2022.

Related Party Transaction:

(a) Related party transaction took place for investment in shares by AFC Agro Biotech Limited with AFC Health Ltd. The name of the related parties transaction have been set out in accordance with the provision of IAS - 24: Related party details are as follows:

Name of the Company	Number of Share	Face Value per Share	Total Tk.	Date
AFC Health Ltd. (Investment)	1,100,000	10	11,000,000	30.06.2022
Total			**11,000,000**	

(b) Further Active Fine Chemicals Limited is one of the customer of AFC Agro Biotech Limited. The party details are as follows:

Name of the Company	Opening Balance	Sales during the year	Received / Adjustment	Closing Balance
Active Fine Chemicals Limited	5,220,394	41,867,380	42,146,980	**4,940,794**
Total				**4,940,794**

(c) Further Active Fine Chemicals Limited is one of the supplier of AFC Agro Biotech Limited. The party details are as follows:

Name of the Company	Opening Balance	Purchase during the year	Payment / Adjustment	Closing Balance
Active Fine Chemicals Limited	-	68,904,260	68,474,421	429,839
Total		**68,904,260**	**68,474,421**	**429,839**

(d) Related party transaction took place during normal course of business with Active Fine Chemicals Limited.

Directors Remuneration:

Only two Directors 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 22.00 and 23.00 of financial statements. Independent Directors do not take any remuneration from the company.

Sl.No.	Name	Yearly Remuneration
1	Md. Afzal	30,00,000.00
2	Md. Zia Uddin	12,00,000.00
	Total=	**42,00,000.00**

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) Significant variance that occurs between Quarterly Financial performances:

Particulars	Total Up to Quarter-3 (a)	Average per Quarter	Quarter-4 (b)	Annual C= (a+b)
Sales	633,469,379	211,156,460	68,411,388	701,880,767
Net profit /(Loss) after Tax	44,479,624	14,826,541	(18,847,231)	25,632,393
Earnings Per Share	0.39	0.13	(0.17)	0.22

8) Signification deviation in Earning per share (EPS):EPS for the year ended on 30 June 2022 is Tk. 0.22 whereas it was Tk. 0.15 for the same period of the previous year. This was mainly significant increase in the business income because our company got government sales contract to supply the COVID-19 kit items during the period.
9) The financial data for the last five years are annexed.
10) No bonus shares or stock dividend has been or shall be declared as interim dividend

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.

Shareholding Pattern:

Shareholding patterns of the company for the 2021-2022 is shown in Annexure-II of this report.

Election of Directors:

Mr. S.M Saifur Rahman and Mr. Tanvir Shahriar Ghani retired from the position of Director by rotation and Mr. S.M Saifur Rahman and Mr. Tanvir Shahriar Ghani were re-appointed as Directors of the company. The brief resume of the re-appointed directors are shown in annexure-III of this report.

Acquisition of Assets:
During the year under review, the Company invested a sum of Tk. 9.57 crore for acquisition of Fixed Assets such as land, building, plant and machinery, furniture & fixture and lab equipment.

Investment:

The amount is made up as follows:	Amount (In Taka)	
	30.06.2022	**30.06.2021**
AFC Health Limited (11,00,000 Shares @ Tk. 10 each)	11,000,000	11,000,000
Total	**11,000,000**	**11,000,000**

Corporate Governance Compliance Report:
AFC Agro Biotech 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/CMRRCD/2006-158/207/Admin/80: dated 3rd June, 2018 a Corporate Governance Compliance Report is shown Annexure-V of this report.

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

LongTerm: A
Short Term: ST-3

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

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	**25,675,109**	**17,664,395**
Less: Provision for Income Tax	(42,716)	(19,667)
Net Profit After Tax	**25,632,393**	**17,644,728**
Add: Profit brought forward from previous year	674,446,041	656,801,313
Less: Dividend	(4,004,536)	-
Profit Available for Appropriation	**696,073,898**	**674,446,041**
Less: Proposed Dividend	(4,016,005)	4,015,860
Un-appropriated Profit Carried Forward	**692,057,893**	**670,430,181**

Dividend:
During the year company earned Net Profit after Tax is Tk.2.56 crore. The earning per share (EPS) is Tk. 0.22. Considering the satisfaction of shareholders, the Board of Directors has recommended 0.50% Cash Dividend only for 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. 19.00 of the financial statements of AFC Agro Biotech Limited.

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

Dividend Distribution Policy:
AFC Agro Biotech Limited (AFCABL) 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 AFC Agro Biotech 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:
AFCABL 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:
CABL 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.

- AFCABL 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. AFCABL 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, AFCABL shall issue cash dividend warrant and shall send it by post to the shareholders.
- AFCABL 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'. AFCABL shall publish the year-wise summery of its unpaid or unclaimed cash dividend in the website.

Stock Dividend:
AFCABL 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). AFCABL shall follow the provision প্রবিধান 46 of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা,২০০৩ for issuance of bonus shares.

- AFCABL 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:
- AFCABL 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.
- AFCABL 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:
AFCABL shall not forfeit any unclaimed cash dividend and stock dividend till the claim becomes barred by the law of land in force. AFCABL 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:
AFCABL 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.

Capital Structure:
Authorized capital of AFC Agro Biotech 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. 115,21,62,000/- divided into 11,52,16,200 Ordinary shares of Tk.10.00 each.

Management Discussion and Analysis:

APIs and related products has emerged despite it being extremely competitive and snagging in all the sectors in Bangladesh because of internal and external effect. It may be cited that wages hike, price of raw materials increases, insufficient utilities support, Global recession, unfavorable trade deal and others make the business very difficult and troublesome and create obstacle keeping the pace of business growth consistent for business houses. All the effect ultimately impact on margin shrinkage.
The set of policies approved by the Government of Bangladesh 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 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) 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. In discussion of financial and economic scenario of the country and the globe, Bangladesh sustained strong growth in fiscal year 2021-2022. 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

Md. Afzal

Managing Director

Appointment of Auditor:
The auditor Khan Wahab Shafique Rahman & Co. Chartered Accountants will retire at the conclusion of ensuing 12th 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 Shafiq Basak & Co. Chartered Accountants for appointment as statutory auditor of the company for the year 2022 -2023. The Board of Directors, NRC & Audit committee reviewed the offer letter of M/S Shafiq Basak & Co. Chartered Accountants regarding appointment as statutory auditor and the Board recommended the proposal for appointment of M/S Shafiq Basak & Co. Chartered Accountants as statutory auditor for the year 2022-2023 subject to the approval of shareholders in 12th Annual General Meeting of the company.

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 12th 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 12th 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.

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, 16 (Sixteen) 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 for the year 2021 -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 is prepared based on the going concern concept.

Basis for Qualified Opinion

1) 1. Provision for current income tax and deferred tax required as per Para 12 & 15 of IAS 12 has not been made , as disclosed in note # 13 & 15, based on gazette No- 26.00.0000.100.42.008.17-54 dated 14-05-2018 by Commerce Ministry under the captioned "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding tax exemption against which relevant Gm.Avi.I.bs 316 AvBb/AvqKi/2021 dated 11 A‡±vei, 2021 from National Board of Revenue (NBR) has obtained by the company. But some conditions of said SRO yet to be complied with by the company. Therefore profit, EPS & related Equity has overstated to that extent. No proper disclosure has been made in accordance with Para 46 & Para 81(c) of IAS-12. Further the company also did not comply with applicable VAT & tax related provisions/-sections of ITO ordinance 1984 and VAT & SD Act-2012 including compliance of IAS-12 and other related IASs by virtue of above gazette notification of commerce ministry and SRO from NBR. Also a sum of Tk. 247,546,877 has been shown as Tax Holiday reserve has been carried forward year after year though no SRO or certificate was availed by the company from NBR in this respect. Moreover, most transaction have taken place in cash transactions violating section 30h (ii) and (m) of ITO 1984.

2) Impairment analysis for property, plant and equipment has to be done by management following para 9 of IAS 36 was not made as of statement of financial position date considering the external and internal source of information regarding impairment of assets in accordance with para 12 of said IAS. If any such indication exists, the entity shall estimate the recoverable amount of the asset. But AFC Agro Biotech Ltd. did not make such assessment of impairment though such indication exist. Further due to the specialized operation since impairment test was not done, the assets appear to be not reflected at fair value.

3) It appears form Note # 8.00 of the notes to the financial statements that "total uncleared lodgment is holding with Mutual Trust Bank Ltd. with some cheques which is received by the company at the closing day of accounting period and were not cleared to date of our report.

4) A sum of Tk. 618,449,998 has been shown as accounts receivable in the financial statements. Provision for receivable has been kept only 2.5% which is not sufficient considering life time expected credit loss in accordance with IFRS-9 since some of them are likely to be unrealized.

5) As disclosed in note no. 16.01 of notes to the financial statement, the company paid Tk. 471,109 to its workers but the section 242 of Bangladesh Labor Act 2006 (as amended upto) in regard to Investment of Participation Fund and section 234 of said act was not complied with.

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 qualified opinion.

Acknowledgements:

The Board of Directors expresses their sincere gratitude and appreciation for the assistance, cooperation and guidance received by the Company from Drug Administration, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Bangladesh Bank, Commercial Banks, all other regulators, suppliers, clients, shareholders and employees of AFC Agro Biotech Limited for their contribution and their continued support and confidence.

Thank you all

On behalf of the Board of Directors

S M Saifur Rahman
Chairman

Annexure-I
Attendance of Board Meeting upto June, 2022

Name of Directors	Position	Meeting Held	Attendance
S.M. Saifur Rahman	Chairman	16	01 Elected as Chairman dated: 06/06/2022 (He attended 15 Board of Directors meetings as a director)
ABM Ghulam Mostafa (Rep: By AFC Capital Ltd.)	Ex-Chairman	16	15 (Resigned from the position of Chairman and Board Member dated 06/06/2022)
Md. Afzal	Managing Director	16	16
Md. Zia Uddin	Director	16	15
Jewel Khan	Director	16	15
Tanvir Shariar Ghani	Director	16	11
Md.Sarwar Hossain	Independent Director	16	10
Md.Azizur Rahman	Independent Director	16	13 (Resigned from the Board dated: 28/04/2022)
Md. Shahiduzzaman	Independent Director	16	2 (Appointed as Independent Director dated: 05/05/2022)
Md. Alamgir Hossain	Independent Director	16	(Appointed as Independent Director dated: 05/06/2022)

Annexure-II
Pattern of Shareholding

Name of Directors	Position	No. of Shares upto 30-06-2022	% of Shares as on 30-06-2022
1. Parent/Subsidiary/Associate companies and other related parties. Active Fine Chemicals Limited	Sponsor	1,38,37,465	12.01
2.Directors, CEO, CS, CFO, HIA and their spouses and minor children:			
2.A. Directors			
S.M. Saifur Rahman	Chairman	34,88,167	3.03
Md. Afzal	Managing Director	25,46,277	2.21
Md. Zia Uddin	Director	25,46,277	2.21
Jewel Khan	Director	36,86,918	3.20
Tanvir Shariar Ghani	Director	23,04,324	2.00
AFC Capital Ltd.	Promoter	34,56,486	3.00
Md. Shahiduzzaman	Independent Director	-	-
Md. Alamgir Hossain	Independent Director	-	-
Md.Sarwar Hossain	Independent Director	-	-
2.B. CEO, CS, CFO, HIAC:			
Sabekun Nahar	Company Secretary	-	-
Khandakar Ruhul Amin	Chief Financial Officer	-	-
Md. Azizur Rahman	Head of Internal Audit and Compliance	-	-
3. Executive (Top 5 persons other CEO/CS/CFO/HIAC)			
Md. Yaseer Arafat	Plant Incharge	-	-
Kutub Uddin	AVP (Production)	-	-
Mir Md. Harun-or-Rashid	AVP (Marketing)	-	-
Shourav May Ghosh	Sr. Manager (Admin)	-	-
4. Shareholding 10% or more voting right		-	-
Active Fine Chemicals Limited	Sponsor	1,38,37,465	12.01

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

S.M Saifur Rahman, Director

Mr. Rahman was born in 1979 at Dhaka in a reputed business family. He has a very strong background in scientific research in chemicals technology. He holds the position of Managing Director and Chief Scientist at Active Fine Chemicals Ltd. 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. 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. 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 a Director of AFC Health Limited and AFC Capital Limited.

Mr. Tanvir Shahriar Ghani, DirectorTanvir Shahriar Ghani is a highly accomplished investment banker. He has been working in investment banking sector from many years. He served as an investment banker at Goldman Sachs, USA. He served as Head of Asian Hedge fund & Private Equity Capital Market Group. He graduated from Colombia University USA. He worked as a speech writer of Kofi Anan (the then General Secretary of UN).

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. Md. Alamgir Hossain, Independent Director

Mr. Md. Alamgir Hossain had excellent academic career as he secured the first position in the undergrad and graduate program from the Management Department at the University of Dhaka in the academic results. He received his Master's in Business Administration (MBA) from Monash University, Australia, with Distinction. Mr. Hossain also had opportunities to serve as a Faculty member in the most reputed universities in the country, including the University of Dhaka. Mr. Hossain, retired Member of National Board of Revenue, has intensive experience in administrative as well as policy formulation in the field of revenue administration in Bangladesh. He held different positions from field administration to policy-making. He was also involved in the budget preparation and presentation to the appropriate authority. He also served as a Member of Financial Reporting Councils. He had enormous opportunities to work on significant local and international agencies including the financial institutions in the public and private sectors.

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 AFC Agro Biotech Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **AFC Agro Biotech Limited** 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 28, 2022

For A. K. M. Delwer Hussain & Associates

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

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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;	√		Md. Shahiduzzaman and Md.Alamgir Hossain has been appointed as Independent Director on 05/05/2022 and 05/06/2022 respectively will be place before shareholders in this AGM
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 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;	√		
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;	√		
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;	√		
1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
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**	AFC Agro Biotech Limited has no 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:	√		
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.	√		No report was made under condition no. 5 (6) (a)(ii)
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 (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 AFC Agro Biotech 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 2021-2022 there were 5 nos. of meetings held and all the members were present in the meetings.

The Audit Committee consists of the following members:

Name of the Directors	Position of Audit Committee	Meeting Held	Attendance
Md. Sarwar Hossain (Independent Director)	Chairman of the committee	5	4 (Appointed on 27/09/2021)
Nazmul Anwar (Independent Director)	Ex-Chairman	5	1 (Resigned on 27/09/2021)
S. M. Saifur Rahman (Director)	Member	5	5 (Resigned on 06/06/2022)
Md. Azizur Rahman (Independent Director)	Member	5	4 (Resigned on 28/04/2022)
Jewel Khan (Director)	Member	-	(Appointed on 30/04/2022)
Md. Shahiduzzaman (Independent Director)	Member	-	(Appointed on 15/06/2022)
Sabekun Nahar (Company Secretary)	Secretary	5	5

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.



Md. Sarwar Hossain
Chairman
Audit Committee

Annexure-VII
NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors of AFC Agro Biotech 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	Attendance
Md. Sarwar Hossain (Independent Director)	Chairman of the committee	4	3 (Appointed on 27/09/2021)
Nazmul Anwar (Independent Director)	Ex-Chairman	4	1 (Retired on 27/09/2021)
S. M. Saifur Rahman (Director)	Member	4	4 (Retired on 06/06/2022)
Md. Azizur Rahman (Independent Director)	Member	4	3 (Retired on 28/04/2022)
Jewel Khan (Director)	Member	-	(Appointed on 13/07/2022)
Md. Shahiduzzaman (Independent Director)	Member	-	(Appointed on 13/07/2022)
Sabekun Nahar (Company Secretary)	Secretary	4	4

During the year 2021-2022 the members of the NRC meet in four 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 workingof 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.

Md. Sarwar Hossain
Chairman
Nomination and Remuneration Committee

Declaration by MD and CFO

29th October, 2022

The Board of Directors
AFC Agro Biotech 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/CMRRCD/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 AFC Agro Biotech Limited for the year ended on 30th June, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), 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) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board of Directors or its members.

Md. Afzal
Managing Director

Khandakar Ruhul Amin
Chief Financial Officer

Independent Auditor's Report
To the Shareholders of AFC Agro Biotech Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of AFC Agro Biotech 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 flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements present fairly, in all material respects, 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), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. Provision for current income tax and deferred tax required as per Para 12 & 15 of IAS 12 has not been made , as disclosed in note # 13 & 15, based on gazette No- 26.00.0000.100.42.008.17-54 dated 14-05-2018 by Commerce Ministry under the captioned "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding tax exemption against which relevant Gm.Avi.I.bs 316 আইন/আয়কর/২০২১ dated ১১ অক্টোবর, ২০২১ from National Board of Revenue (NBR) has obtained by the company. But some conditions of said SRO yet to be complied with by the company. Therefore profit, EPS & related Equity has overstated to that extent. No proper disclosure has been made in accordance with Para 46 & Para 81(c) of IAS-12. Further the company also did not comply with applicable VAT & tax related provisions/sections of ITO ordinance 1984 and VAT & SD Act-2012 including compliance of IAS-12 and other related IASs by virtue of above gazette notification of commerce ministry and SRO from NBR. Also a sum of Tk. 247,546,877 has been shown as Tax Holiday reserve has been carried forward year after year though no SRO or certificate was availed by the company from NBR in this respect. Moreover, most transaction have taken place in cash transactions violating section 30h (ii) and (m) of ITO 1984.
2. Impairment analysis for property, plant and equipment has to be done by management following para 9 of IAS 36 was not made as of statement of financial position date considering the external and internal source of information regarding impairment of assets in accordance with para 12 of said IAS. If any such indication exists, the entity shall estimate the recoverable amount of the asset. But AFC Agro Biotech Ltd. did not make such assessment of impairment though such indication exist. Further due to the specialized operation since impairment test was not done, the assets appear to be not reflected at fair value.
3. It appears form Note # 8.00 of the notes to the financial statements that "total uncleared lodgment is holding with Mutual Trust Bank Ltd. with some cheques which is received by the company at the closing day of accounting period and were not cleared to date of our report.
4. A sum of Tk. 618,449,998 has been shown as accounts receivable in the financial statements. Provision for receivable has been kept only 2.5% which is not sufficient considering life time expected credit loss in accordance with IFRS-9 since some of them are likely to be unrealised.
5. As disclosed in note no. 16.01 of notes to the financial statement, the company paid Tk. 471,109 to its workers but the section 242 of Bangladesh Labor Act 2006 (as amended upto) in regard to Investment of Participation Fund and section 234 of said act was not complied with.

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 qualified opinion.

Emphasis of Matters:

1. **Significant deviation in Earning per Share (EPS):**
   EPS for the year ended on 30 June 2022 has come to Tk. 0.22 whereas, it was Tk. 0.15 for the same period of the previous year registering 46.67% increase in current year as compared to the previous year. The reason behind this increment has been disclosed in note 26.00 of notes to the financial statements.
2. Analysis of accounts receivable and related cash flow reveals that a major portion of earlier year (s) figure remain uncollected.
3. As disclosed in the financial statements the Company has made significant related party transaction. Approval has been taken from the AGM held on 31.12.2020 in this regard Our opinion is not modified in respect of those matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements 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.

In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Appropriateness of revenue/turnover recognition and disclosure on the impact of the application of IFRS 15.
The Key Audit Matter
Net turnover of Tk. 701,880,767 has been recognized in the statement of profit or loss and other comprehensive income of the company. 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 standard on revenue recognition, International Financial Reporting Standard 15 "Revenue from Contracts with Customers". Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.

There is also a risk that revenue may be overstated due to fraud through manipulation of the invoices, discounts, incentives and rebates recognized resulting from the pressure of management may feel to achieve performance targets.

Please refer to note #20 of notes to the financial statements.
How the scope of our audit responded to the key audit matter:
The company has made net revenue of Tk. 701,880,767 during the year. Revenue has increased due to Covid 19 kit sales. A sum of Tk.435,153,904 has been sold as Covid-19 kit. Recognition of the revenue of "AFC Agro Biotech Limited" has been considered complex due to system necessary for proper recognition, measurement and recording considers the application of the new standard on revenue recognition.

In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:

- Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue.
- Assessing controls for systems and procedures supporting revenue recognition.
- Assessing the invoicing and measurement system up to entries in the ledger.
- Examining customer invoices and receipts of payment on a test basis.

Furthermore, we assessed the accounting effects of revenue recognition model. We assured ourselves of the appropriateness of the systems, Processes, and Controls in place and that the estimates and assumptions made by management are sufficiently documented and substantiated to ensure that revenue is properly recognized.

Impairment of property, Plant and equipment

The Key Audit Matter

Property, plant and equipment (PPE) represent about 46.48% of total assets of the Company which is thus a material items to the financial statements, PPE includes plant and machinery being of total PPE which are sophisticated in nature. Being different in nature, there is a risk whether market value if those assets could materially fall because of non-marketability and arise risk of impairment.

Management's review regarding determination of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.

Please refer note #2 of notes to the financial statements.

How the scope of our audit responded to the key audit matter:

- Reviewed the management's assessment of impairment taking consideration of the future economic benefits of the assets.
- Reviewed the internal control system implemented by management for safeguarding of those assets.
- Tested on sample basis the physical condition of the assets whether the assets become idle, obsolesces, damage and there is a plant to discontinue or restructure the operation to which the assets belongs.
- Assessing the accounting estimates made of the different business models of the company.
- Assessing the design of the processes set up to account for the transaction in accordance with the new standard.

Depreciable lives of property, plant and equipment

The Key Audit Matter

The company has Tk. 1,188,300,896 as Written down Value (WDV) at Property, Plant & Equipment which stands at 46.48 % of its total assets with new acquisitions of Tk. 95,706,370 Made during the year. It usually the company policy to charge depreciation when property , plant & equipment become available for use as described in note 1.8(ii) of the notes to the financial statements. The management used judgment to ascertain the timing of depreciation of the property, plant & equipment in few cases. Depreciable lives of property, plant & equipment have been identified as a key audit matter because it requires the management to exercise significant judgment in relation to the estimate of depreciable lives of the assets considering the nature, timing and likelihood of changes to the technical factors which may affect the useful life expectancy of the assets and therefore it could have a material impact on the depreciation expense for the year.

Please refer to Note 2.00, 21.03 and 22.00 of the notes to the financial statements for relevant details.

How the scope of our audit responded to the key audit matter:

Our procedures in relation to the depreciable lives of the property, plant & equipment included:

- Testing the key controls over the management's judgment in relation to the accounting estimates of the depreciable lives of property, plant and equipment.
- Assessing the management's estimates on the useful lives of property, plant & equipment with reference to:

(1) the consistency with the company's expected consumption pattern of economic benefits embodied in the respective assets and future operating plans including acquisitions and retirement of property, plan and equipment;

(2) the comparison to the policies adopted by other comparable entities operating in this area; and

(3) consideration of the company's historical experience.

Accounts Receivable

The Key Audit Matter

Accounts receivable BDT 618,449,998 being about 24.19% of the total assets of the Company is a material item to the financial statements.

There is a significant risk regarding recoverability of the amounts and misstatement of the items. As such, management is required to make judgments in determining whether accounts receivable are being appropriately valued and also need to make sufficient provision for aged accounts receivable, if required.

Please refer note #7 of notes to the financial statements.

How the scope of our audit responded to the key audit matter:

- Tested the operating effectiveness of key controls over accounts receivable.
- Being a part of auditor's responsibility as regarding external confirmation as per ISA 505, we requested for external confirmation.
- Tested on a sample basis the value disclosed according to the reply obtained.
- Assessed whether appropriate provisions have been recognized for aged accounts receivable, if required and evaluating management's basis for determining the recoverability.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the AFC Agro Biotech Ltd.

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 companies Act 1994, The securities and Exchange Rules 1987 and other applicable laws & regulations 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 1987, 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;

Date; Dhaka
November 21, 2022

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Signed By: Faruk Ahmed, FCA
Partner
Enrolment No: 1591
Firm Registration No.: 11970 E.P.
DVC: 2211211591AS212679

AFC Agro Biotech Limited
STATEMENT OF FINANCIAL POSITION
As at 30 June, 2022

Particulars	Notes	AMOUNT (BDT)	
		30-Jun-22	30-Jun-21
ASSETS:			
Non-Current Assets:		**1,203,955,609**	**1,411,664,335**
Property, Plant & Equipment	2	1,188,300,896	1,395,608,219
Biological Assets	3	15,654,713	16,056,116
Investment (Fair Value)	4	**11,000,000**	**11,000,000**
Current Assets:		**1,341,363,750**	**903,176,865**
Advances, Deposits and Prepayments	5	280,616,064	180,469,318
Inventories	6	371,145,903	191,933,394
Accounts Receivable	7	618,449,998	484,741,103
Cash and Cash Equivalents	8	71,151,785	46,033,050
TOTAL ASSETS		**2,556,319,359**	**2,325,841,200**
SHARE HOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity :		**2,096,032,181**	**2,074,383,465**
Share Capital	9	1,152,162,000	1,152,162,000
Retained Earnings	10	696,073,898	674,446,041
Tax Holiday Reserve	11	247,546,877	247,546,877
Unrealized Foreign Exchange gain/(loss)	12	249,406	228,547
Non Current Liabilities:		**221,156,252**	**16,968,035**
Deferred Tax Liability	13	16,968,035	16,968,035
Non-Convertible Zero Coupon Bond		204,188,217	-
Current Liabilities:		**239,130,926**	**234,489,699**
Liabilities for Expense & Services	14	21,548,680	6,057,678
Provision for Current Tax	15	19,946,359	19,903,642
Other Liabilities	16	15,349,623	14,536,977
Short term Loans	17	182,144,773	186,626,391
IPO Share Application Money	18	-	7,365,011
Dividend Payable	19	141,491	-
TOTAL SHARE HOLDERS' EQUITY AND LIABILITIES		**2,556,319,359**	**2,325,841,200**
Net Assets Value per Share (NAVPS)	27	**18.19**	**18.00**

The annexed notes form an intergral Part of These financial statements.

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

Subject to our separate report of even date

Dated; Dhaka
November 21, 2022

Khan Wahab Shafique Rahman & Co.
Chartered Accontants
Signed By: Faruk Ahmed, FCA
Partner
Enrolment No: 1591
Firm Registration No.: 11970 E.P.
DVC: DVC: 2211211591AS212679

AFC Agro Biotech Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June, 2022

Particulars	Notes	Amount (BDT)	
		July 2021 To June 2022	July 2020 To June 2021
Net Turnover	20	**701,880,767**	**452,636,381**
Cost of Goods Sold	21	(539,374,347)	(348,643,202)
Gross Profit		**162,506,420**	**103,993,179**
Operating Expenses		**(116,523,115)**	**(71,486,514)**
Administrative Expenses	22	(101,101,895)	(64,422,559)
Selling & Distribution Expenses	23	(15,421,220)	(7,063,955)
Profit from Operation		**45,983,304**	**32,506,665**
OP %		0.066	0.072
Finance Cost	24	(19,214,289)	(14,046,351)
Other Income	25	189,849	87,410
Profit Before WPPF		**26,958,864**	**18,547,724**
Provision for WPPF		(1,283,755)	(883,329)
Profit before Tax		**25,675,109**	**17,664,395**
Income Tax Expenses:		**(42,716)**	**(19,667)**
Provision for Current Tax	15	(42,716)	(19,667)
Provision for Deferred Tax	13	-	-
Net Profit After Tax		**25,632,393**	**17,644,728**
Other Comprehensive Income			
Unrealized (Loss)/gain	12	249,406	228,547
Total Comprehensive Income		**25,881,799**	**17,873,275**
Basic Earnings Per Share	26	**0.22**	**0.15**

The annexed notes form an intergral Part of These financial statements.

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

Subject to our separate report of even date

Dated; Dhaka
November 21, 2022

Khan Wahab Shafique Rahman & Co.
Chartered Accontants
Signed By: Faruk Ahmed, FCA
Partner
Enrolment No: 1591
Firm Registration No.: 11970 E.P.
DVC: DVC: 2211211591AS212679

AFC Agro Biotech Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2022

Particulars	Share Capital	Retained Earnings	Tax Holiday Reserve	Un-Realised Gain/(Loss) on Foreign Currency	Total
Balance 1st July, 2021	1,152,162,000	674,446,041	247,546,877	228,547	2,074,383,465
Cash Dividend 0.5%		(4,004,536)			(4,004,536)
Net Profit for the year		25,632,393	-		25,632,393
Other Comprehensive Income				20,859	20,859
Balance 30 June, 2022	**1,152,162,000**	**696,073,898**	**247,546,877**	**249,406**	**2,096,032,181**

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June, 2021

Particulars	Share Capital	Retained Earnings	Tax Holiday Reserve	Un-Realised Gain/(Loss) on Foreign Currency	Total
Balance 1st July, 2020	1,152,162,000	656,801,313	247,546,877	223,707	2,056,733,897
					-
					-
Net Profit for the year		17,644,728	-	-	17,644,728
					-
Other Comprehensive Income				4,840	4,840
Balance 30 June, 2021	**1,152,162,000**	**674,446,041**	**247,546,877**	**228,547**	**2,074,383,465**

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

Dated; Dhaka
November 21, 2022

AFC Agro Biotech Limited
STATEMENT OF CASH FLOWS
For the year ended 30 June, 2022

Particulars	Amount (BDT)	
	July 2021 To June 2022	July 2020 To June 2021
A) **Cash Flows from Operating Activities:**		
Collection from Sales	568,171,872	388,260,919
Payment to Suppliers	(460,476,880)	(186,291,384)
Payment for Expenses	(74,941,281)	(46,710,704)
Other Income	189,849	87,410
Payment for WPPF	(471,109)	(33,425,000)
Advance Payment	(100,146,747)	(101,903,802)
Net Cash flow from Operating Activities	**(67,674,296)**	**20,017,440**
B) **Cash Flows from Investing Activities:**		
Purchase of Fixed Assets	(95,706,370)	(56,150,069)
Short term Investment (Increase)/Decrease	-	62,767,068
Net Cash Used in Investing Activities	**(95,706,370)**	**6,616,999**
C) **Cash Flows from Financing Activities:**		
Short term Loan	(4,481,618)	7,346,352
Payment of Dividend	(3,863,045)	
IPO Share Application Money	(7,365,011)	
Non-Convertible Zero Coupon Bond	204,188,217	-
Net Cash Flows Provided by Financial Activities	**188,478,543**	**7,346,352**
D) **Net Cash inflow/ (Out Flow) (A+B+C)**	**25,097,875**	**33,980,791**
E) **Opening Cash & Cash Equivalents**	**46,033,050**	**12,047,419**
F) **Add: Unrealized Foreign Exchange Gain/(Loss)**	**20,859**	**4,840**
G) **Cash and Cash Equivalents at the end (D+E+F)**	**71,151,785**	**46,033,050**
Net Operating Cash Flows Per Share (Note-28)	**(0.59)**	**0.17**

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

Dated; Dhaka
November 21, 2022

AFC Agro Biotech Limited

Notes To The Financial Statements
For The Year Ended 30 June 2022

1.00 Significant Accounting Policies And Other Material Information:

1.01 Legal form of the Enterprise:

The AFC Agro Biotech Limited (AFCABL) was incorporated in Bangladesh on 31st August, 2010 as a Public Limited Company under the Companies Act, 1994.

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 Uttar Shoilmary, Koiya Bazar, Batiaghata, Khulna.

1.03 Nature of Business Operation:

AFCABL has been established with the target to manufacture antibiotics, proteins, vaccines, enzymes etc. from agricultural ingredients like, molasses, glucose, potato starch, and other nutrients and to sell those products to local markets. Raw materials are procured mostly from local market.

1.04 Commercial Production:

The company started its commercial production from 7th October, 2012.

1.05 Components of Financial Statements:

1. Statement of Financial Position as at 30th June, 2022.
2. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022.
3. Statement of Changes in Equity for the year ended 30th June, 2022.
4. Statement of Cash Flows for the year ended 30th June, 2022.
5. Accounting policies and explanatory notes to the Financial Statements for the year then ended.

1.06 Application of International Accounting Standards (IAS's):

Following IAS's are applicable for the preparation and presentation of financial statements for the period under report.

IAS – 1 Presentation of Financial Statements
IAS – 2 Inventories
IAS – 7 Statements of Cash Flows
IAS – 12 Income Taxes
IAS – 16 Property, Plant and Equipment
IAS – 19 Employee Benefits
IAS – 24 Related Party Disclosures
IAS – 33 Earning Per Share
IAS – 37 Provisions, Contingent Liabilities and Contingent Assets
IAS – 38 Intangible Assets
IAS – 41 Agriculture
IFRS-07 Financial Instruments: Disclosure
IFRS-09 Financial Instruments
IFRS- 15 Revenue Recognition from contract with customer

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 in accordance with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Companies Act 1994, Securities & Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other applicable laws and regulations.

ii) a. Basis of measurement:

The financial statements have been prepared on accrual basis of accounting consistently applied following going concern assumption basis accounts.

b. Going Concern basis:

The financial statements have been prepared on going concern basis and management of AFC Agro Biotech L:td. has assessed that they have adequate resourses to continue as a going concern for foreseeable future. And the management has also assessed that no going concern threat are observed.

iii) Functional and presentational currency and level of precision:

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.), which is the company's functional currency. All financial information is presented in Taka currency and has been rounded off 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, accrued expenses and other payables.

v) Reporting Period:

The period of financial statements of the company cover 12th months from 1st July 2021 to 30th June, 2022 and is followed consistently.

vi) Presentation of Financial Statements:

The presentation of this financial statement is done in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

vii) Comparative Figure:

Comparative figures have been taken from last year accounts.

viii) Regulatory Compliances:

As required, AFC Agro Biotech Limited complied with following major legal provision in addition to the Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984.
The Income Tax Rules, 1984.
The Value Added Tax & Suppelementary Duty Act, 2012.
The Value Added Tax & Suppelementary Duty Rules, 2016.
Securities & Exchange Rules 1987.

1.08 Significant Accounting Policies:

The accounting policies set out below has been applied in presenting 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 is assigned following weighted average cost formula and 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 includes 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.

Inventories are consisting as follows:

a) Raw Materials.
b) Work-in Process.
c) Finished Goods.
d) Packing Materials.

ii. Property, Plant & Equipment:

The cost of assets comprises its purchase price and any directly attributable costs in bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) - 16 "Property, Plant & Equipments".

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on the cost of fixed assets in order to write off such amounts over the estimated useful lives, using the straight-line method in accordance with IAS - 16. Depreciation is 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 rates of depreciation used to write off the amount of assets are as follows:

Particulars	**Rate**
Building	3%
Plant & Machinery	10%
Furniture & Fixture	10%
Office Equipment	20%
Lab Equipment	20%
Motor Vehicle	20%
Interior Decoration	20%

iii. 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 effect 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.

iv. Biological Assets:

The company has measured "Biological Assets" in its Statement of Financial Position initially at cost in accordance with paragraph 30 of IAS-41. The details of Biological Assets and its type & products are disclosed as under:

Name of the Biological Assets (Scientific Name)	**Agriculture**	**Products from the Bacteria's**	**Related Reference**
Saccharopolyspora erythraea	Bacteria	Erythromycin	A text book of Biotechnology (by R.C Dubey)
Acetobacter aceti for Acetic acid	Bacteria	Acetic acid	A text book of Biotechnology (by R.C Dubey)
Corynebacterium glutamicum for Monosodium glutamate	Bacteria	Monosodium Glutamate	A text book of Biotechnology (by R.C Dubey)
Gordonia rubrepertincta for l-lysine	Bacteria	l-lysine	A text book of Biotechnology (by R.C Dubey)

These Biological Assets and products from Bacteria have also been certified by Professor Dr. Abdul Khair, Dean, Faculty of Biological Science, Jahangirnagar University, Savar, Dhaka.

The management has been amortizing the Biological Assets @ 2.5% in each year on the current strain stocks, from the date of commencement of commercial production.

v. Financial Instruments:

Financial Assets:

Financial assets of the company include cash and cash equivalents, investments in share, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially in the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

Financial Liabilities:

Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligation is discharged or cancelled or expire.

Financial liabilities include payable for expenses, liabilities for capital expenditure, bank loans and other current liabilities.

vi. Financial risk management:

AFC Agro biotech 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. AFC Agro biotech Ltd's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on AFC Agro biotech Ltd's financial performance.

AFC Agro biotech 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. AFC Agro biotech Ltd regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

vii. Advances, 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 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 the statement of profit or loss and other comprehensive income.

viii. 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. The bank balances have been duly reconciled with respective bank statements.

ix) Statement of Cash Flows:

Statement of Cash flows has been prepared in accordance with IAS-7: Statement of Cash Flows. 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 activates are disclosed.

x. Income Tax:

AFC Agro Biotech Limited has been enjoying tax holiday from its commercial operation start 7th October 2012 moreover as per Government gazette no- 26.00.0000.100.42.008.17-54 dated 14-05-2018 no provision is required for income tax on this company's profit as the company has received exemption from all such taxes which was effective from financial year 2016-2017 ans SRO was collected on ...

Xi. Related Party Disclosures:

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:
AFC Agro biotech Ltd. Provide Short term employee benefits such as wages, salaries and bonuses.

b). Post-employment benefits:
AFC Agro biotech 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:
AFC Agro Biotech Ltd. has no Other long-term benefits such as long-service leave or sabbatical leave, jubilee or other long-service benefits.

d). Termination benefits:
AFC Agro Biotech Ltd. has no termination benefits.

e). Share-based payments:
AFC Agro Biotech Ltd. has no share–based payment.

2). As per para 18 of IAS-24 Related Party Disclosure are as follows:

(a) Related party transaction took place for investment in shares this year by AFC Agro Biotech Limited with AFC Health Ltd. Related party details are as follows:

Name of the Company	Number of Shares	Face Value per Share	Total Taka	Date
AFC Health Ltd. (Investment)	1,100,000	10.00	11,000,000	30.06.2022
Total			**11,000,000**	

(b) Further Active Fine Chemicals Limited is one of the customers of AFC Agro Biotech Limited. The party details are as follows

Name of the Company	Opening Balance	Sales during the year	Received/ Adjustment	Closing Balance
Active Fine Chemicals Limited	5,220,394	41,867,380	42,146,980	4,940,794
Total	**5,220,394**	**41,867,380**	**42,146,980**	**4,940,794**

(c) Further Active Fine Chemicals Limited is one of the supplier of AFC Agro Biotech Limited. The party details are as follows:

Name of the Company	Opening Balance	Purchase during the year	Payment / Adjustment	Closing Balance
Active Fine Chemicals Limited	-	68,904,260	68,474,421	429,839
Total		**68,904,260**	**68,474,421**	**429,839**

(d) Related party transaction took place during normal course of business with Active Fine Chemicals Limited.

xiii. 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.

xiv. Segment Reporting:

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

xv. 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 folllowing criteria are met:

i) Indentify the contract (s) with a customer.
ii) Identify the performance obligations in the contract.
iii) Determine the transaction price.
iv) Allocate the transaction price of the performance obligations in the contracts.
v) Recognise revenue when (or as) the entity satisfies a performance obligation.

xvi. Workers' Profit Participation Fund:

This represents 5% of net profit before tax after charging the contribution as per provision of the Bangladesh Labor (amendment) Act 2013 and is payable to workers as defined in said Law.

xvii. Foreign Currency Transactions:

Foreign Currencies are transacted into taka (if any) at the exchange rates ruling on the date of transactions in accordance with IAS-21 "The effects of changes in foreign exchange rates".

xviii. Borrowing Cost/Finance Cost:

Finance cost comprises interest expenses on bank loan, delay interest charge and others. All finance expenses are recognized in the Statement of profit or loss and other comprehensive Income.

xix. Earnings Per Share (EPS):

Earnings Per Share (EPS) are calculated in accordance with the Bangladesh Accounting Standard IAS-33 "Earning Per Share".

Basic earnings per share:

"Earnings per Share (EPS)" has been calculated by dividing the earning attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

xx. Provisions:

Provisions are made considering risk and uncertainties at best estimate of the probable expenditure that would require meeting the current obligation on the Balance Sheet date.

xxi. 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.

			Amount (Taka)	
			30-Jun-22	30-Jun-21
2.00	**Property, Plant & Equipment:**			
	This consists of as follows:			
	Opening Balance		2,686,369,291	2,630,219,222
	Add: Addition during the period		95,706,370	56,150,069
			2,782,075,661	2,686,369,291
	Less: Accumulated Depreciation		1,593,774,765	1,290,761,072
			1,188,300,896	**1,395,608,219**
	Details have been shown in Annexure-B			
	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) has obtained. Without considering 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	**Biological Assets:**			
	This consists of as follows:			
	Opening Balance		16,056,116	16,467,811
	Add: Addition during the period		-	-
			16,056,116	16,467,811
	Less: Amortization		401,403	411,695
			15,654,713	**16,056,116**
	The management has decided to amortize the biological assets @ 2.5% in each year on the current strain stocks , since the date of commencement of commercial production.			
4.00	**Investment:**			
	This is made up as follows:			
	AFC Health Limited (11,00,000 Shares @ Tk. 10 each)		11,000,000	11,000,000
			11,000,000	**11,000,000**
5.00	**Advances, Deposits and Prepayments:**			
	This is made-up as follows:			
	Advances	**(Note- 5.01)**	39,822,314	7,938,687
	Deposits:			
	L.C Margin		-	17,050,583
	Security Money		1,930,160	1,930,160
	Prepayments:			
	Prepayments to parties		238,863,590	153,549,887
			280,616,064	**180,469,317**
5.01	**Advances:**			
	This is made-up as follows:			
	Advance Salary		2,124,607	1,663,491
	Advance Rent		1,610,500	786,000
	Advance VAT	**(Note-5.01.01)**	305,435	185,435
	Advance Income Tax	**(Note-5.01.02)**	35,781,772	5,303,761
			39,822,314	**7,938,687**
5.01.01	**Advance VAT:**			
	This consists of as follows:			
	Opening Balance		185,435	125,435
	Add: Paid during the year		120,000	60,000
			305,435	**185,435**
	Less: Adjust during the year		-	-
			305,435	**185,435**

	Amount (Taka)	
	30-Jun-22	**30-Jun-21**

5.01.02 Advance Income Tax:

This is made-up as follows:		
Opening Balance	5,303,761	5,245,085
Add: Deducted during the year	30,478,011	58,676
	35,781,772	**5,303,761**
Less: Adjusted during the year	-	-
	35,781,772	**5,303,761**

5.02 Disclosure as per Schedule XI, Part I, Para 6 of the Companies Act, 1994

Particulars	June 30, 2022	June 30, 2021
Advances, deposits & prepayments considered good and in respect of which the company is fully secured.	**280,616,064**	**180,469,317**
Advances, deposits & prepayments considered good for which the company holds no security other than the debtor's personal security.		
Advances, deposits & prepayments considered doubtful or bad.		
Advances, deposits & prepayments due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.		
Advances, deposits & prepayments due by companies under the same management.		
The maximum amount due by directors or other officers of the company at any time during the year.		
Total	**280,616,064**	**180,469,317**

6.00 Inventories:

This is made-up as follows:		
Raw Materials	219,971,897	79,975,098
Packing Materials	3,289,679	1,398,743
Work in Process	36,840,004	19,345,986
Finished Goods	111,044,323	91,213,567
	371,145,903	**191,933,394**

7.00 Accounts Receivable:	**618,449,998**	**484,741,103**
Aging of accounts receivables		
More than six months	487,380,000	180,119,789
Less than six months	131,069,998	304,621,314
	618,449,998	**484,741,103**

Classification schedule as required by Part -1, schedule XI Section-185 of Companies Act 1994 are as follows:

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	618,449,998	484,741,103
III. Accounts Receivable considered doubtfull 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	**618,449,998**	**484,741,103**

	Amount (Taka)	
	30-Jun-22	30-Jun-21

8.00 Cash & Cash Equivalents:

This is made up as follows :

Cash in Hand	**870,861**	**178,035**
Cash at Bank:	**70,280,924**	**45,855,015**
Current Accounts	68,550,550	35,233,927
SND Accounts	1,648,623	1,727,311
IPO Related Accounts	81,751	8,893,777
	71,151,785	**46,033,050**

9.00 Share Capital :

This is made-up as follows:

a) Authorized Capital :

30,00,00,000 Ordinary Shares of Tk. 10 each	**3,000,000,000**	**3,000,000,000**

b) Issued Subscribed and Paid-up Capital:

34,000,000 Shares of Tk.10 each fully called and paid up in cash	340,000,000	340,000,000
4,000,000 shares of Tk. 10 each paid up otherwise than in cash (i.e. in consideration of land)	40,000,000	40,000,000
1,20,00,000 shares of Tk. 10 each paid up in IPO	120,000,000	120,000,000
50,00,000 shares of Tk. 10 each (Bonus 10% 2013)	50,000,000	50,000,000
82,50,000 shares of Tk. 10 each (Bonus 15% 2014)	82,500,000	82,500,000
1,26,50,000 shares of Tk.10 each (Bonus 20% 2015-16)	126,500,000	126,500,000
1,51,80,000 shares of Tk.10 each (Bonus 20% 2016-17)	151,800,000	151,800,000
136,620,000 shares of Tk.10 each (Bonus 20% 2017-18)	136,620,000	136,620,000
10,474,200 shares of Tk.10 each (Bonus 10% 2018-19)	104,742,000	104,742,000
	1,152,162,000	**1,152,162,000**

c) Issued and paid up capital of the entity is 910,800,000 no. of shares of Tk.10 each as follows:

	No. of Shares	No. of Shares
Directors/Sponsors	34,896,098	34,896,098
Institutions	42,065,435	40,936,316
General Shareholders	38,254,667	39,383,786
Balance as on 30th June, 2022	**115,216,200**	**115,216,200**

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

Shareholdings	No. of Shareholders	Number of Shares	% of total Shareholding
Less than 500 shares	1791	399,560	0.35
501 to 5000 shares	3446	6,299,831	5.47
5,001 to 10,000 shares	603	4,617,888	4.01
10,001 to 20,000 shares	341	5,055,932	4.39
20,001 to 30,000 shares	130	3,319,924	2.88
30,001 to 40,000 shares	56	1,958,180	1.70
40,001 to 50,000 shares	39	1,815,591	1.58
50,001 to 1,00,000 shares	77	5,604,641	4.86
1,00,001 to 10,00,000 shares	86	21,253,724	18.45
Over 10,00,000 shares	17	64,890,929	56.32
Total =	**6586**	**115,216,200**	**100.00**

	Amount (Taka)	
	30-Jun-22	30-Jun-21

*** The market price of the share of the company on 30.06.2022 was as follows:**

Dhaka Stock Exchange Ltd. TK. 25.40

Chattagram Stock Exchange Ltd. TK. 25.50

*** The market price of the share of the company on 30.06.2021 was as follows:**

Dhaka Stock Exchange Ltd. TK. 20.00

Chattagram Stock Exchange Ltd. TK. 19.80

10.00 Retained Earnings:

This is made up as follows:

Opening Balance	674,446,041	656,801,313
Net Profit for the year	25,632,393	17,644,728
Cash Dividend	(4,004,536)	-
	696,073,898	**674,446,041**

11.00 Tax Holiday Reserve:

This is made up as follows:

Opening Balance	247,546,877	247,546,877
Add: Provision during the year	-	-
	247,546,877	247,546,877
Less. Adjustment during the year	-	-
	247,546,877	**247,546,877**

Provision for tax holiday reserve 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 has been 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.

		Amount (Taka)	
		30-Jun-22	30-Jun-21
12.00 Unrealized Gain/ (Loss):			
Unrealized Gain/ (Loss) on Investment in Securities	**(Note-12.01)**	-	-
Unrealized Foreign Exchange Gain/ (Loss)	**(Note-12.02)**	249,406	228,547
		249,406	**228,547**

12.01 Unrealized Gain/ (Loss) on Investment in Securities:

The break-up is as follows:

Opening Balance	-	-
Add: Provision during the year	-	-
	-	-
Less: Adjust during the year	-	-
Closing Balance	**-**	**-**

12.02 Unrealized Foreign Exchange Gain/ (Loss):

The break-up is as follows:

Opening Balance	228,547	223,707
Add: Provision during the year	20,859	4,840
	249,406	228,547
Less: Adjust during the year	-	-
	249,406	**228,547**

		Amount (Taka)	
		30-Jun-22	**30-Jun-21**
13.00	**Deferred Tax Liabilities:**		
	The break-up is as follows:		
	Opening Balance	16,968,035	16,968,035
	Add: Provision during the year	-	-
		16,968,035	**16,968,035**
	Less: Adjust during the year	-	-
		16,968,035	**16,968,035**

Provision for deferred 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.

14.00	**Liabilities for Expense & Services:**		
	The break-up is as follows:		
	Wages, Salaries & Allowance Expenses	5,021,705	1,834,879
	Utility Bill	207,772	169,056
	AGM Expenses	500,000	500,000
	Audit Fee	1,000,000	1,000,000
		6,729,477	**3,503,935**
	Accounts Payable & Other Payable	2,700,676	2,553,743
	Provision for Baddebts	12,118,528	-
		21,548,680	**6,057,678**

Accounts payable represents to regular suppliers of raw materials, packing materials, fixed assets purchase etc. All suppliers were paid on a regular basis.

15.00	**Provision for Current Tax:**		
	The break-up is as follows:		
	Opening Balance	19,903,643	25,383,976
	Add: Provision made during the year	42,716	19,667
		19,946,359	25,403,643
	Less: Adjustment for the assessment year 2016-17	-	5,500,000
		19,946,359	**19,903,643**
	Other Income		
	Capital Gain from share sale	-	-
	Bank Interest	189,849	87,410
	Total	**189,849**	**87,410**
	Income Tax		
	Capital Gain (10%)	-	-
	Bank Interest (22.5%)	42,716	19,667
	Total:	**42,716**	**19,667**
16.00	**Other Liabilities:**		
	Workers Profit Participation Fund **(Note-16.01)**	15,349,623	14,536,977
		15,349,623	**14,536,977**

		Amount (Taka)	
		30-Jun-22	30-Jun-21
16.01	**Workers Profit Participation Fund (WPPF):**		
	This is made-up as follows:		
	Opening Balance	14,536,977	47,078,648
	Add: Provision during the year	1,283,755	883,329
		15,820,732	47,961,977
	Less: Paid	471,109	33,425,000
		15,349,623	**14,536,977**

This represents 5% of net profit before tax after charging the contribution as per provisions of the Companies Profit (Workers' Participation) Act,1968 and is payable to workers as defined in the said Act. The company has separate Trustee for WPPF. As per lovour law WPPF contribute amount will be transfered within 9th months from year ending dated.

17.00	**Short Term Loans:**		
	This is made-up as follows:		
	Loan from Bank (C. C)		
	Janata Bank Ltd.	110,320,838	107,801,406
	Loan from Bank (Time Loan)		
	Mutual Trust Bank Ltd.	57,460,061	54,866,747
	Term Loan		
	Uttara Finance Ltd.	14,363,874	23,958,238
		182,144,773	**186,626,391**

17.01 Janata Bank A/c # 45004887:

The details of above bank accounts are appended below:

Nature	: CC (HYPO)
Sanction Limit	: Tk. 9.00 Crore
Expiry date	
Interest Rate	
Renewal Status	
Security	: 150 Decimal land at Uttar Sholmari, Khulna.

17.02 Mutual Trust Bank Ltd. A/c # 178000014:

The details of above bank accounts are appended below:

Nature	: Time Loan
Sanction Limit	: Tk. 5.00 Crore
Expiry date	
Interest Rate	
Renewal Status	
Security	

18.00	**IPO Share Application Money:**		
	This is made up as follows:		
	Opening Balance	7,365,011	7,365,011
	Add: Addition during the period (IPO bank account interest)	1,615,172	-
		8,980,183	**7,365,011**
	Adjust/(Paid) during the year	(8,980,183)	-
		-	**7,365,011**

The fund transfered against non - refunded IPO subscription money or others of AFC Agro Biotech Limited to the Capitan Market Stabilization Fund (CMSF) Account No.SND A/C : 0010311521301, Community Bank Bangladesh Ltd. Gulshan Corporate Branch ,Dhaka.

		Amount (Taka)	
19.00	**Dividend Payable:**	**30-Jun-22**	**30-Jun-21**
	The break-up is as follows:		
	Opening balance	-	-
	Add: Addition during the period	4,004,536	-
		4,004,536	**-**
	Less: Payment during the period	3,863,045	-
		141,491	**-**

		Amount (Taka)	
		July 2021 to June 2022	**July 2020 to June 2021**
20.00	**Net Turnover:**		
	Total Sales	701,880,767	452,636,381
		701,880,767	**452,636,381**

During the period AFCABL was got government sales contruct to supply the Covid-19 kit items amount Tk. 435,153,904. As a results our sales has been increased as compared to last year.

21.00	**Cost of Goods Sold:**			
	This is arrived as follows:			
	Opening W I P		19,345,986	18,970,780
	Raw Material consumed	**(Note:21.01)**	258,167,957	135,261,539
	Packing Material consumed	**(Note:21.02)**	6,252,927	1,723,160
	Less: Closing W I P		36,840,004	19,345,986
	Total Consumed		**246,926,866**	**136,609,493**
	Add: Factory Overhead	(**Note:21.03)**	312,804,437	271,736,519
	Cost of Production		**559,731,303**	**408,346,012**
	Add: Opening Finished Goods		91,213,567	31,856,432
	Finished Goods Available		**650,944,870**	**440,202,444**
	Less: Closing Finished Goods		111,044,323	91,213,567
	Less: Cost of Sample		526,200	345,675
	Cost of Goods Sold		**539,374,347**	**348,643,202**

21.01	**Raw Material Consumed:**		
	The break-up is as follows:		
	Opening Raw Materials	79,975,098	70,060,322
	Add: Purchase Raw Materials	398,164,756	145,176,315
		478,139,854	**215,236,637**
	Less: Closing Raw Materials	219,971,897	79,975,098
		258,167,957	**135,261,539**

21.02	**Packing Material Consumed:**		
	The break-up is as follows:		
	Opening Packing Materials	1,398,743	2,236,315
	Add: Purchase Packing Materials	8,143,863	885,588
		9,542,606	**3,121,903**
	Less: Closing Packing Materials	3,289,679	1,398,743
		6,252,927	**1,723,160**

		Amount (Taka)	
		30-Jun-22	30-Jun-21
21.03	**Factory Overhead:**		
	This consists of as follows:		
	Wages & Salary	42,794,050	18,539,807
	Fuel, Patrol & Lubricant	1,777,190	700,165
	Car Maintance Exp.	751,902	314,901
	Depreciation	257,561,639	247,087,167
	Municipal Tax	139,326	-
	Biological Assets (Written off)	401,403	411,695
	Entertainment Expenses	1,323,046	526,236
	Lab Materials	407,524	38,432
	Medical Expense	69,576	17,109
	Insurance Premiem	-	57,200
	Printing & Stationery Expenses	971,148	216,369
	Rent	233,850	150,400
	Repair & Maintenance Expenses	1,885,651	919,195
	Telephone & Postage Expenses	520,173	171,460
	Conveyance Expenses	1,311,254	776,637
	Utility Bill	1,894,728	1,681,410
	Other Exp.	761,977	128,336
		312,804,437	**271,736,519**
22.00	**Administrative Expenses:**		
	This consists of as follows:		
	Salary & Allowance	7,743,889	4,710,363
	Audit Fees	1,000,000	1,000,000
	AGM Expenses	500,000	500,000
	Bank Charge	452,420	183,068
	Car Maintance Exp.	210,937	110,339
	Depreciation	45,452,054	43,603,618
	Director Remuneration & Fee	2,100,000	2,400,000
	Entertainment Expenses	850,619	96,848
	Printing & Stationery Expenses	613,453	131,528
	Registration & Renewal Fees	1,358,322	196,259
	Repair & Maintenance	1,317,234	136,320
	Rent	1,144,725	854,307
	Research & Development Exp.	20,838,574	4,546,914
	Regulatory Fee	4,104,082	5,324,221
	Telephone & Postage Expenses	170,700	23,923
	Traveling & Conveyance Expenses	597,940	287,735
	Provision for Bad debts	12,118,528	-
	Other Expenses	144,775	126,136
	Utility Bill	383,644	190,981
		101,101,895	**64,422,559**
23.00	**Selling & Distribution Expenses:**		
	This is made-up as follows:		
	Salary & Allowance	5,522,516	736,882
	Advertisement Exp.	966,049	630,800
	Carrying Exp.	598,595	438,499
	Director Remuneration & Fee	2,100,000	2,400,000
	Entertainment Expenses	688,773	183,977
	Marketing Promotional Expenses	2,396,571	829,250
	Printing & Stationery Expenses	450,705	82,948
	Rent	1,263,376	1,129,307
	Sample Expenses	526,200	345,675
	Telephone & Postage Expenses	47,980	32,262
	Traveling & Conveyance Expenses	645,564	115,256
	Utility Bill	214,891	139,099
		15,421,220	**7,063,955**

			Amount (Taka)	
			30-Jun-22	30-Jun-21
24.00	**Finance Cost:**			
	This is made-up as follows:			
	Bank interest on JBL CC Loan		2,479,432	7,055,995
	Bank interest on MTBL Loan		2,553,313	4,840,754
	Interest on Uttara Finance and Investment Ltd STL		2,032,871	2,149,602
	Bank interest on Shimanto Bank Ltd & Non-Convertible Zero Coupon Bond		12,148,673	-
			19,214,289	**14,046,351**
25.00	**Other Income:**			
	This is made-up as follows:			
	Bank Interest received		189,849	87,410
	Gain/(Loss) on Investment in Marketable Securities		-	-
			189,849	**87,410**
26.00	**Basic Earning Per Share :**			
	The computation is given below:			
	Net Profit After Tax		25,632,393	17,644,728
	Number of share outstanding during the year	**(Note-26.01)**	115,216,200	115,216,200
	Earning Per Share		**0.22**	**0.15**
26.01	**Number of shares is calculated below :**			
	Opening balance of outstanding number of shares		115,216,200	115,216,200
	Add: Bonus shares issued		-	-
	Total		**115,216,200**	**115,216,200**

No diluted EPS was required to be calculated for the year since there was no scope for dilution.

			Amount (Taka)	
			July 2021 to June 2022	July 2020 to June 2021
27.00	**Net Assets Value Per Share:**			
	Net Assets	**(Notes -27.01)**	2,300,220,399	2,074,383,465
	Number of share outstanding during the year	**(Notes- 26.01)**	115,216,200	115,216,200
	Net Assets Value Per Share		**19.96**	**18.00**
27.01	**Net Assets :**			
	Total Assets		2,556,319,359	2,325,841,200
	Total Liabilities		256,098,961	251,457,734
	Net Assets		**2,300,220,399**	**2,074,383,466**
28.00	**Net Operating Cash Flow Per Share:**			
	Net cash generated from operating activities		(67,674,296)	20,017,440
	Number of share outstanding during the year	**(Note-26.01)**	115,216,200	115,216,200
	Net Operating Cash Flows Per Share		**(0.59)**	**0.17**
29.00	**Reconciliation of Net Profit with Cash Flow from Operating Activities:**			
	Net Profit for the period/year after Income Tax		25,632,393	17,644,728
	Non cash item Depreciation		303,013,693	290,690,784
	Increase / Decrease in Inventories		(179,212,509)	(68,809,545)
	Increase / Decrease Advances, Deposits and Prepayments		(100,146,747)	(101,903,803)
	Amortization Charge		401,403	411,695
	Increase / Decrease Accounts Receivable		(133,708,895)	(64,375,462)
	Increase / Decrease Provision for Current Tax		42,717	(5,480,332)
	Increase / Decrease Liabilities for Expense & Services		15,491,002	(15,618,954)
	Increase / Decrease Liabilities for Other Finance		812,647	(32,541,671)
	Net Cash Generated from Operating Activities		**(67,674,295)**	**20,017,440**

	Amount (Taka)	
	30-Jun-22	30-Jun-21
29.01 Cash Flow from Operating Activities		
A. Collection from customers & other income (B+C)	**568,361,721**	**388,348,329**
B. Collection from export sales:	**568,171,872**	**388,260,919**
Opening Receivable	484,741,103	420,365,641
Add: Sales during the year	701,880,767	452,636,381
Less: Closing receivable	(618,449,998)	(484,741,103)
Less: Closing sundry Receivable	-	-
Add: Unrealized gain	-	-
C. Collection from non-operating income & other income:	**189,849**	**87,410**
Opening receivables	-	--
Income during the year	189,849	87,410
Closing sundry receivables	-	-
D. Payment to suppliers, employees and other expenses:	**636,036,018**	**368,330,889**
COGS	539,374,347	348,643,202
Add: Back of realized gain	-	--
Add: Closing inventory	371,145,903	191,933,394
Add: Raw cotton destroyed by fire	-	--
Less: Opening inventory	(191,933,394)	(123,123,849)
Add: Opening liability for goods	2,553,743	18,891,241
Less: Closing Liability for goods	(2,700,676)	(2,553,743)
Less: Depreciation	(303,013,693)	(290,690,784)
Administrative & Marketing Expenses	116,523,115	71,486,514
Expenses for WPPF	471,109	33,425,000
Add: Closing advance deposit & prepayments	280,616,064	180,469,317
Less: Opening advance deposit & prepayments	(180,469,317)	(78,565,515)
Add: Opening liability for expenses & other	3,503,935	2,785,391
Less: Closing Liability for expenses & other	(18,848,004)	(3,503,935)
Add: Payment of Finance Cost	19,214,289	14,046,351
Add:Tax paid	-	5,500,000
Biological Assets (Written off)	(401,402.90)	(411,695)
Adjusted for unrealised loss		--
Less: Unrealized gain		--
Net Cash flow from Operating Activities (A-D)	**(67,674,299)**	**20,017,440**

30.00 Capital Expenditure Commitment :

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

31.00 Claim not acknowledged as Debt :

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

32.00 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.

33.00 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 181 for the whole year.

34.00 Contingent Liability :

The company has contingent liabilities amounting to Tk. 205,497,337 as per DCT's notice order নথি নং-১২৩৯ ৫১৯৫ ৪৩৮৭/সার্কেল-৩ (কোম্পানীজ)/কঃঅঃ-১/ ২০১৯-২০২০/ dated: 04.03.2020 and some negligible letter of credits in the ordinary course of business. The company has already made appeal against DCT's notice order.

35.00 Related party Transaction:

(a) Related party transaction took place for investment in shares by AFC Agro Biotech Limited with AFC Health Ltd. The name of the related parties transaction have been set out in accordance with the provision of IAS - 24: Related party details are as follows:

Name of the Company	Number of Share	Face Value per Share	Total Tk.	Date
AFC Health Ltd. (Investment)	1,100,000	10	11,000,000	30.06.2022
Total			**11,000,000**	

(b) Further Active Fine Chemicals Limited is one of the customer of AFC Agro Biotech Limited. The party details are as follows

Name of the Company	Opening Balance	Sales during the year	Received / Adjustment	Closing Balance
Active Fine Chemicals Limited	5,220,394	41,867,380	42,146,980	4,940,794
Total				

(c) Further Active Fine Chemicals Limited is one of the supplier of AFC Agro Biotech Limited. The party details are as follows:

Name of the Company	Opening Balance	Purchase during the year	Payment / Adjustment	Closing Balance
Active Fine Chemicals Limited	-	68,904,260	68,474,421	429,839
Total	**-**	**68,904,260**	**68,474,421**	**429,839**

(d) Related party transaction took place during normal course of business with Active Fine Chemicals Limited.

36.00 Events after the balance sheet date :

Date of Authorization:

(a) The Board of Directors of AFC Agro Biotech Limited authorized these Financial Statements for the year ended 30 June, 2022 in its 139th Board Meeting held on October 29, 2022

(b) The Board of Directors at the 139 Board Meeting held on October 29, 2022 recommended 0.50% cash dividend for existing shares excluding directors share. This will be considered for approval by the shareholders at the 12th Annual General Meeting (AGM).

AFC AGRO BIOTECH LIMITED
Schedule of Fixed Assets
As at 30 June, 2022

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	Balance as on 30.06.2022		Opening Balance as on 01.07.2021	Charged during the year	Balance as on 30.06.2022	
1	Land & Land Development	110,192,364	788,000	110,980,364	-	-	-	-	110,980,364
2	Building	234,067,827	2,081,835	236,149,662	3%	42,734,324	7,053,262	49,787,586	186,362,076
3	Plant & Machinery	1,795,322,379	5,350,000	1,800,672,379	10%	741,904,578	179,799,738	921,704,316	878,968,063
4	Furniture & Fixture	12,039,206	1,091,570	13,130,776	10%	6,860,417	1,258,499	8,118,916	5,011,860
5	Office Equipment	11,226,349	3,177,077	14,403,426	20%	10,809,552	2,562,978	13,372,529	1,030,897
6	Lab Equipment	511,474,571	79,278,888	590,753,459	20%	476,538,052	110,222,803	586,760,855	3,992,604
7	Motor Vehicle	8,612,565	3,939,000	12,551,565	20%	8,480,121	2,116,413	10,596,534	1,955,032
8	Interior Decoration	3,434,030	-	3,434,030	20%	3,434,030	-	3,434,030	-
Total		**2,686,369,291**	**95,706,370**	**2,782,075,661**		**1,290,761,072**	**303,013,693**	**1,593,774,765**	**1,188,300,896**

Allocation of depreciation charged during the year:

Head of Accounts	Proportion	Amount
Manufacturing Expenses	85%	257,561,639
Administrative Expenses	15%	45,452,054
	100%	**303,013,693**

Schedule of Fixed Assets

SL No.	Particulars	COST			Rate	DEPRECIATION			Written down value as on 30.06.2021
		Opening Balance as on 01 July 2020	Addition during the year	Balance as on 30.06.21		Opening Balance as on 01 July 2020	Charge during the year	Balance as on 30.06.21	
1	Land & Land Development	109,953,206	239,158	110,192,364	-	-	-	-	110,192,364
2	Building	230,570,117	3,497,710	234,067,827	3%	35,764,755	6,969,569	42,734,324	191,333,503
3	Plant & Machinery	1,757,722,379	37,600,000	1,795,322,379	10%	564,252,340	177,652,238	741,904,578	1,053,417,801
4	Furniture & Fixture	11,141,552	897,654	12,039,206	10%	5,701,379	1,159,038	6,860,417	5,178,789
5	Office Equipment	10,231,184	995,165	11,226,349	20%	8,663,798	2,145,753	10,809,551	416,798
6	Lab Equipment	499,541,974	11,932,597	511,474,571	20%	375,436,397	101,101,655	476,538,052	34,936,520
7	Motor Vehicle	7,624,780	987,785	8,612,565	20%	6,856,386	1,623,735	8,480,121	132,445
8	Interior Decoration	3,434,030	-	3,434,030	20%	3,395,233	38,797	3,434,030	-
Total		**2,630,219,222**	**56,150,069**	**2,686,369,291**		**1,000,070,288**	**290,690,784**	**1,290,761,072**	**1,395,608,219**

Allocation of depreciation charged during the year:

Head of Accounts	Proportion	Amount
Manufacturing Expenses	85%	247,087,167
Administrative Expenses	15%	43,603,618
	100%	**290,690,784**

AFC AGRO BIOTECH LIMITED

Proxy Form

Revenue Stamp

I/We……..…
of……..…
being a Member of AFC Agro Biotech 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 **12th 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.