Annual Report
2015-2016



AFCL

ACTIVE FINE CHEMICALS LTD.
(Manufacturer of Bulk Drugs and Lab Reagents)

ANNUAL REPORT

Jan 2015 to Jun 2016



MARSTOCK

AFCL

ACTIVE FINE CHEMICALS LTD.

(Manufacturer of Bulk Drugs and Lab Reagents)

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TRANSMITTAL LETTER

Date: 5th November, 2016
The Shareholders
Active Fine Chemicals Ltd.

Subject: Annual Report for the period from January 2015 to June 2016.

Dear Sir,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements for the period from January 2015 to June 2016 along with the Auditor's Report and Director's Report for your record.

Yours Sincerely,

Md. Mahbubur Rahman
Company Secretary

AMARSTOCK

Notice of the 11th Annual General Meeting

Notice is hereby given that the 11th Annual General Meeting of the Shareholders of Active Fine Chemicals Limited will be held on Thursday, 24th November 2016 at 10.30 A.M at Trust Milonayoton, 545, Old Airport Road, Dhaka Cantonment, Dhaka-1206 to transact the following business:

1. To receive, consider and adopt the Directors' and Auditors' Report and Audited Financial Statements for the period from January 2015 to June 2016.
2. To approve Dividend for the period from January 2015 to June 2016.
3. To elect the Directors of the Company.
4. To appoint Auditor of the Company and fixation of their remuneration for the year 2016 -2017.
5. To approve re-apointment of the Independent Directors.

By order of the Board of Directors

Date: Dhaka
18th October, 2016.

Md. Mahbubur Rahman
Company Secretary

Notes:

1. The Shareholders, whose names shall appear in the Share Register of the Company or in the Depository Register on the "Record Date" i.e. 8th November, 2016 will be entitled to attend the AGM and receive the Dividend.
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 then 48 (Forty eight) hours before the time fixed for the Annual General Meeting.
3. Admission to the meeting will be strictly on production of the attendance slip attached with the Annual Report.
4. Shareholders and Proxies are requested to record their entry in time.
5. In case of non-receipt of Annual Report of the Company sent through courier, Members may collect the same from the Company's Share Office within 22nd November, 2016. No additional Annual Report will be distributed at the AGM venue.
6. ***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/CMRRCD/2009-193/154 dated October 24, 2013.***

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OUR VISION



To be the leader in API and Laboratory Reagent Manufacturing Industry

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OUR MISSION



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



OUR OBJECTIVES

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

Performance at a Glance

NET TURNOVER FROM
Jan 2015 to Jun 2016.
TK. 266.94 CRORE
Δ
NET TURNOVER 2014
TK. 139.50 CRORE

GROSS PROFIT FROM
Jan 2015 to Jun 2016.
TK. 115.94 CRORE
Δ
GROSS PROFIT 2014
TK. 61.10 CRORE

OPERATING PROFIT FROM
Jan 2015 to Jun 2016.
TK. 102.33 CRORE
Δ
OPERATING PROFIT 2014
TK. 54.35 CRORE

NET PROFIT BEFORE TAX FROM
Jan 2015 to Jun 2016.
TK. 90.63 CRORE
Δ
NET PROFIT BEFORE TAX 2014
TK. 48.59 CRORE

NET PROFIT AFTER TAX FROM
Jan 2015 to Jun 2016
TK. 67.82 CRORE
Δ
NET PROFIT AFTER TAX 2014
TK. 35.91 CRORE



Corporate Directory

Corporate & Registered Office	Active Fine Chemicals Limited Navana Osman @ Link 214/D, Gulshan-Tejgaon Link Road, Dhaka-1208. Phone : +88-02-8836830,8836843, 8836875 Fax : +88-02-8836825. Web Site: www.afchem.com
Share Office	Tanaka Tower (2nd Floor), 42/1/Gha Segun Bagicha, Dhaka. Phone : +88-02-9531024, 9531023 Fax : +88-02-7121348
Factory	West Moktarpur, Munshiganj
Memorable events	Date of Incorporation : 1st Dec 2004 Date of Conversion into Public Ltd. : 9th Dec 2009 Date of Commercial Production : 5th Oct 2009 Consent for IPO from SEC : 15th July 2010 Listing with Stock Exchanges(DSE & CSE) : 22nd Nov 2010 Certificate of Good Manufacturing Practice : 2011 First Export : 2011 ISO 9001:2008 Certified : 2012
Business Line	Manufacturer of API & Lab Reagents
Capital Structure	Authorized Capital BDT 300 Crore Paid-up Capital BDT 123.04 Crore
Last AGM Held	28th May 2015
Auditor	Shafiq Basak & Company
Legal Advisor	Haque, Ahasan & Associates, Advocate & Consultants
Bankers	One Bank Ltd. Bank Asia Ltd. NRB Bank Ltd. Janata Bank Ltd. Eastern Bank Ltd. Dutch Bangla Bank Ltd. Islami Bank Bangladesh Ltd. Bangladesh Development Bank Ltd. Premier Bank Ltd.



Board of Directors:

Md. Zia Uddin	: Chairman
S.M. Saifur Rahman	: Managing Director
Md. Afzal	: Director
Md. Akbar Alam (Upol)	: Independent Director
Md. Azhar Khan	: Independent Director

Audit Committee:

Md. Akbar Alam (Upol)	: Chairman
Md. Afzal	: Member
Md. Azhar Khan	: Member

Company Secretary

Md. Mahbubur Rahman

Management Team:

A.B.M Jamal Uddin	: Chief Operating Officer
Prodip Roy	: Chief Financial Officer
Monjurul Alam	: Head of Human Resources
Md. Khalilur Rahman	: Head of Internal Audit
Prof. Dr. Md. Rabiul Islam	: Executive Director of Research & Development
Dr. Md. Iqbal Hyder	: Chief Advisor & Plant Operation
Mohammad Qutub Uddin	: Head of Production
Md. Nurul Islam	: Head of Marketing

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FIVE YEARS FINANCIAL HIGHLIGHTS AT A GLANCE

Particulars	Jan-2015 to June-2016	2014	2013	2012	2011
Non-Current assets	2,035,741,333	1,258,084,851	909,579,060	786,307,557	548,225,410
Intangible Assets	16,197,237	20,614,666	23,559,619	54,976,199	79,227,434
Investment	378,748,311	302,900,000	172,704,257	77,200,000	37,200,000
Current Assets	2,336,143,597	1,577,429,128	634,245,832	407,325,014	236,785,737
Total Assets	**4,766,830,478**	**3,159,028,645**	**1,740,088,768**	**1,325,808,771**	**901,438,581**
Share Holders' Equity	3,509,159,261	2,758,596,615	1,292,912,291	958,063,308	735,261,655
Non-Current Liabilities	91,316,797	84,046,306	43,000,421	25,362,843	1,967,912
Current Liabilities	1,166,354,420	316,385,724	404,176,056	342,382,620	164,209,013
Total Share Holders' Equity & Liabilities	**4,766,830,478**	**3,159,028,645**	**1,740,088,768**	**1,325,808,771**	**901,438,581**
Net Turnover	2,669,383,283	1,395,039,566	1,227,110,415	720,519,189	442,640,850
Gross Profit	1,159,417,349	611,035,772	528,661,818	349,232,284	206,801,403
Net profit before WPPF	951,637,482	510,267,345	414,993,090	272,942,959	152,431,607
Net Profit before Tax	906,321,412	485,968,900	395,231,514	259,945,676	145,172,959
Net Profit after Tax	678,165,973	359,164,323	334,848,982	222,801,653	133,518,062
Earning Per Share (Restated)	5.51	2.92	2.72	1.81	1.08

INTRODUCING THE DIRECTORS

* Mr. Md. Zia Uddin, Chairman

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

Mr. Zia is a prominent business magnate, investor and philanthropist within the business community. He is currently the Forum Chair of Entrepreneur's Organization Bangladesh, the biggest global network exclusively for entrepreneurs.

He has participated various national and international seminars and workshops in BSCIC and LME (London Metal Exchange) in the UK.

* Mr. S.M Saifur Rahman, Managing Director

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

* Mr. Md. Afzal, Director

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

* Mr. Md. Akbar Alam (Upol), Independent Director

Md. Akbar Alam (Upol) is an Independent Director of Active Fine Chemicals Ltd. He is a business graduate and has vast experience in business. He is well connected in the Chemical business sector which helps to drive strong demand for our products. He is a very dynamic and resourceful person for the company. He is also an independent director of AFC Agro Biotech Ltd.

* Mr. Md. Azhar Khan, Independent Director

Md. Azhar khan is an Independent Director of Active Fine Chemicals Ltd. He is a business graduate. He is the Managing Director of Agro Organica Limited, Grainature Limited, Envotech Limited & Pragmatic Fashions Limited, and also an Independent Director of AFC Agro Biotech Ltd. He is the member of Amzad Khan Madrasa, WeHeal Foundation and M Arfan Khan College. He is involved with various social and economic activities from early age. His experience and leadership skill will provide smart and non-biased opinion adding a great value to the board and company.

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MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

I am very pleased to welcome you all to the 11th Annual General Meeting of Active Fine Chemicals Limited. I would like to take this opportunity to present before you the Annual Report together with the Audited Financial Statements and Auditors Report thereon for the financial period January, 2015 to June, 2016 (Due to BSEC's directive on 27th April, 2016) for your kind consideration and approval.

In 2015 the Company increased its Net Profit after Tax to BDT 45.5 crores, up by 26.9% from the previous year (2014). This increase was driven by volume growth and due to successful price and cost management. Gross Turnover increased by 21.3% from BDT 77.5 crores in Jan-June 2015 to BDT 94 crores in Jan-June 2016. As a result, Earnings per Share (EPS) has increased to BDT 5.51 in the financial period January, 2015 to June, 2016 which is 88.7% higher than the of previous year ending in December 2014. In consideration of that, the Board of Directors is pleased to recommend dividend for you. I am glad to inform that the Government of Bangladesh has declared API as a thrust sector and we are currently working with them to ensure secured growth of the sector to reach the highest capacity.

The day to day operations of the company indicates that we were on the right track in the year backed by right strategies and having an able leadership to deliver consistent value for our shareholders. We hope 2016-17 will continue to be a good year for us and we are confident we will be able to achieve our strategic goals.

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.

I wish the company every success in the future.

Sincerely,

Md. Zia Uddin
Chairman



MESSAGE FROM MANAGING DIRECTOR

Dear Valued Shareholders,

2016 has brought in a new horizon for Pharma sector of Bangladesh. Two of the major pharma manufacturers of Bangladesh have received US FDA approval to sell their products in USA, perhaps one of the most lucrative markets of the world. This event has brought in a new dimension in the pharmaceutical arena. All the big pharma manufacturers are now preparing to apply for US FDA. Also they are under market pressure to keep their brand value up to the mark with the US FDA approved companies. Pharmaceutical scenario of Bangladesh is fast changing in favor of regulated plants. One of the challenges of US FDA and other regulated market's license is to source raw materials from audit approved factories. Audit approved by regulated bodies of USA and Europe. The policy requires the manufacturers to purchase APIs and other critical raw materials from audited factories. Hence, we are seeing new behavioral pattern in purchases. We have to upgrade our plant to meet standards Europe or USA. New plants that are under planning in the API park are supposedly will meet standards of Europe and USA. Hence, we need to plan now to stay competitive in the near future. Our cephalosporin products has not seen significant sales yet due to new policies set by our customers to do long term stability tests at least for 18 months. Hence we are yet to see significant sales from this plant. We are expecting a good turn over from this plant once the manufacturers approve our cephalosporin products. We have also constructing oncological API manufacturing unit. Oncology formulation plant is also under construction. Our associated concern AFC Health has signed agreement with American Oncology Institute to build three world class Cancer hospitals in Bangladesh. These will help us tremendously to take off in oncology related products. To faceoff incoming strong competition from new local manufacturers in coming years we have planned to build stronger and deep relationship with our customers by investing into forward end of the healthcare sector. I am cautiously optimistic about our next five years as we move forward. In this arduous journey we seek your kind cooperation and blessings. May Allah keep us all safe and prosperous.

Truly yours,

S.M.Saifur Rahman
Managing Director

Report of the Board of Directors to the Shareholders

Dear Shareholders,

Welcome to the 11th Annual General Meeting of Active fine Chemicals Limited. The Directors are immensely pleasured to present the Annual Report together with Directors' Report and the Audited Financial Statements for the period from January 2015 to June 2016 in accordance with the prevailing Rules and Regulations.

Corporate Status and Background:

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

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

Business Activities:

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

1. Active Pharmaceutical Ingredients (API):

Therapeutic Category	Products	BP/USP
Macrolides	Azithromycin Dihydrate	BP/USP
	Erythromycin Ethyl Succinate	BP/USP
	Erythromycin Stearate	BP/USP
Anti-ulcerent	Esomeprazole Magnesium Trihydrate	BP/USP
	Esomeprazole Magnesium Pellets	BP/USP
	Pantoprazole Sodium Sesquihydrate	BP/USP
Anti-fungal	Fluconazole	BP/USP
Lipid –lowering	Atorvastatin Calcium	USP

Anti-histamine	Cetirizine Hydrochloride	BP/USP
	Fexofenadine Hydrochloride	BP/USP
	Desloratadine	INN
Anti-depressant	Venlafaxine HCL	INN
Antibiotic	Cefixime Trihydrate	BP/USP
	Cefuroxime Axetil	BP/USP
Anti-diabetic	Metformin Hydrochloride	BP/USP
	Sitagliptin Phosphate Monohydrate	INN
	Vildagliptin	INN
	Gliclazide	BP
	Glimepiride	INN
Anti-epileptic	Pregabalin	INN
Anti-hypertensive	Losartan Potassium	BP/USP
	Amlodipine Besylate	BP
NSAID	Etoricoxib	INN
	Ketorolac Tromethamine	USP
Anti-Platelet	Ticagrelor	INN

2. Laboratory Reagents:

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

- HPLC Grade solvents
- Solvents
- Powder reagents

Net Turnover for the period from January 2015 to June 2016 is Taka 266.94 crore, a growth of 22.96% over last year's turnover (January 2014 to June, 2015) of Taka 217.09 crore. Profit after tax during the period Taka 67.81 crore, a growth of 21.83% over last year (January 2014 to June, 2015) profit after tax was Taka 55.66 crore.

Industry outlook and possible future development in the industry:

Active Fine Chemicals Limited is pharmaceutical API (Active Pharmaceutical Ingredient) manufacturing sector in Bangladesh is still in its nascent stage of its evolution. At present 95% API are imported each year. We want to take share year to year at least 10%-15% to get self sufficiency in next 10-20 years. Given our strategic advantage in low cost human resources, it is holding out great potentials. These manufacturing sector has largely moved out from Europe and North America to China and India in the recent past is largely due to lower cost of manufacturing. Bangladesh can be strong player in this sector near future.

Considering the market demand and prospect, Active Fine Chemicals Limited will set up a Cephalosporin plant at West Moktarpur, Munshiganj and obtained permission from Directorate General of Drug Administration (DGDA) for producing Cephalosporin Antibiotics and other related chemicals. Cephalosporin Antibiotics are the most deserving pharmaceutical products to enrich the healthcare sector of Bangladesh.

Active Fine Chemicals Limited will also set up an Anti-Cancer Formulations plant at Uttar Shoilmary, Koiya Bazar, Batiaghata, Khulna to enhance the capacity and diversify the product range.

Risks and Concerns:

Though a booming sector with great potentiality, API industry has also some risk factors such as political unrest, devaluation of foreign currency, increasing govt. duty etc.

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 period from January 2015 to June 2016 is Tk. 150.99 crore against Tk. 123.83 crore for the last year (January 2014 to June, 2015). Gross Profit for the period from January 2015 to June 2016 is Tk. 115.94 crore against Tk. 93.25 crore for the last year (January 2014 to June, 2015). Net Profit after tax for the period from January 2015 to June 2016 is Tk. 67.82 crore against Tk. 55.66 crore for the last year (January 2014 to June, 2015).

Change of Financial Year:

The Board of Directors of the Active Fine Chemicals Limited has changed the Accounting year July to June instead of January to December in compliance of Finance Act 2015 and BSEC Directive No. SEC/SRMIC/2011/1240/445 dated April 27, 2016.

Continuity of any Extra-Ordinary Gain or Loss:

Active Fine Chemicals Limited has no any Extra-Ordinary Gain or Loss for the period from January 2015 to June 2016.

Related Party Transaction:

A. Related party transaction took place for investment in share this year by Active Fine Chemicals Ltd. with AFC Health Ltd. and AFC Capital Ltd. The name of the related party's transaction had been set out in accordance with provision of BAS- 24: Related Party details are as follows.

Name of Related Party	Nature of Transactions	Balance as on 1st January, 2015	Deposit/withdrawal during the year	Allotment/Bonus made during the year	Balance as on 30th June, 2016	No of Share	% of Share Holding 30.06.16
AFC Capital Ltd.	Investment	47,000,000	-	15,000,000	62,000,000	620,000	47.69
AFC Solvents Ltd.	Investment	50,000	-	-	50,000	5,000	12.50
AFC Agro Biotech Ltd.	Investment	60,050,000		92,774,248	152,824,248	7,596,325	12.01
AFC Agro Biology Ltd.	Investment	100,000	-	-	100,000	10,000	16.67
AFC Health Ltd.	Investment	-	-	123,774,000	123,774,000	12,377,400	17.68
AFC Health Ltd.	Share Money Deposit	151,700,000	8,100,000	(123,774,000)	36,026,000		
AFC Capital Ltd.	Share Money Deposit	32,000,000	(17,000,000)	(15,000,000)	-		

b) Further AFC Agro Biotech Ltd. is one of the supplier of Active Fine Chemicals Ltd. during this year Active Fine Chemicals Ltd. purchase product TK. 2, 20, 72,924.00 from AFC Agro Biotech Ltd. and paid TK. 2, 78, 55,974.00 against purchase after adjusting payable balance of TK. 98, 43,484.00 and balance payable to AFC Agro Biotech Ltd. as on 30th June, 2016 was TK. 4,060,434.00.

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

Directors Remuneration:

Directors don't receive any other facilities or prerequisites except remuneration. Total remuneration expenses of the Directors have been disclosed as an expense under the head of Administrative Expenses in the notes 22 of financial statements. Independent Directors do not take any remuneration from the company.

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) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
5) The system of Internal Control is sound in design and has been effectively implemented and monitored.
6) There are no significant doubts upon the Company's ability to continue as a going concern.
7) There are no significant deviations from last year in operating results but normal growth is there.
8) The financial data for the last five years are annexed.

Acquisition of Assets:

During the year under review, the Company invested a sum of Tk. 107.33 crore for acquisition of Fixed Assets such as land, building, plant and machinery.

Investment:

As on 30th June, 2016

	30-June-16	30-Jun-15
Investment in Securities- Listed Company	156,798,311	72,023,336
Investment in Securities- Unlisted Company	185,924,000	47,150,000
Share money deposit with AFC Health Limited	36,026,000	151,700,000
Share money deposit with AFC Capital Limited	-	2,000,000
Total	**378,748,311**	**272,873,336**

Shareholding Pattern:

Shareholding patterns of the company for the period from January 2015 to June 2016 is shown in Annexure-II of this report.

Corporate Governance Compliance Report:

Active Fine Chemicals Limited adheres to appropriate Corporate Governance principles.

The Company has also complied with all requirements of Corporate Governance as required by the Bangladesh Securities & Exchange Commission. Accordingly to Bangladesh Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/134/Admin/44: dated 7th August, 2012 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:

Long Term: A+
Short Term: ST-2

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 period from January 2015 to June 2016:

Particulars	Jan-2015 to June-2016	2014
Net Profit Before Tax	**906,321,412**	**485,968,900**
Less: Provision for Income Tax	228,155,439	126,804,577
Net Profit After Tax	**678,165,973**	**359,164,323**
Add: Profit brought forward from previous year	493,374,800	315,230,291
Less: Dividend	266,596,200	172,500,000
Add: Revaluation Surplus Adjustment	1,184,611	877,712
Less: Tax Holiday Reserve	-	9,397,527
Profit Available for Appropriation	**906,129,184**	**493,374,800**
Less: Proposed Dividend	430,655,400	264,724,200
Un-appropriated Profit Carried Forward	**475,473,784**	**228,650,600**

Dividend:

During the year company earned Net Profit after Tax is Tk. 67.81 crore. The earning per share (EPS) is Tk. 5.51. Considering the satisfaction of shareholders, the Board of Directors has recommended 30% Stock Dividend & 5% Cash Dividend for the period from January 2015 to June 2016.

Capital Structure:

Authorized capital of Active Fine Chemical Limited is Tk.3,00,00,00,000/- divided into 30,00,00,000 Ordinary shares of Tk.10.00 each. Paid up capital of the Company as on 30th June 2016 is Tk. 1,23, 04, 44,000/- divided into 12,30,44,400 Ordinary shares of Tk.10.00 each. After considering proposed 30% stock Dividend the capital will be at Tk. 1,59, 95, 77,200/- dividend into 15, 99, 57,720 Ordinary shares of Tk.10.00 each.

Appointment of Auditor:

The auditor M/S Shafiq Basak & Co. Chartered Accountants will retire at the conclusion of ensuing 11th Annual General Meeting as per Bangladesh Securities & Exchange Commission Notification No. SEC/CMRRCD/2009-193/104/Admin dated 27th July 2011. We have received an offer from M/S Khan Wahab Shafique & Co. Chartered Accountants for appointment as statutory auditor of the company for the year 2016 -2017. The Board of Directors & Audit committee reviewed the offer letter of M/S Khan Wahab Shafique & Co. Chartered Accountants regarding appointment as statutory auditor and the Board recommended to appoint them as statutory auditor for the year 2016-2017 subject to the approval of shareholders in 11th Annual General Meeting of the company.

Corporate Social Responsibility (CSR):

We enthusiastically take part in initiatives that benefits our society and contribute to the welfare of our people. We work with many non-profitable social activities. Our company arranges post graduate scholarship programme to Jahangirnagar University every year and sponsor to the sports programme every year. We also donate a number of non-government Schools.

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, 23 (Twenty Three) Board Meetings were held. The attendance record of the Directors is shown in Annexure-I of this report. The Board of Directors did not take attendance fees during the period from January 2015 to June 2016.

Going Concern:

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

Election of Directors:

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

Acknowledgements:

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

Thanks all

On behalf of the Board of Directors

Md. Zia Uddin

Chairman

Annexure-I

Attendance of Board Meeting

Name of Directors	Position	Meeting Held	Attendance
Md. Zia Uddin	Chairman	23	23
S.M. Saifur Rahman	Managing Director	23	22
Md. Afzal	Director	23	22
Md. Akbar Alam (Upol)	Independent Director	23	22
Md. Azhar Khan	Independent Director	23	23

Annexure-II

Pattern of Shareholding

Name of Directors	Position	No. of Share 30-06-2016	% As on 30-06-2016
1. Parent/Subsidiary/Associate companies and other related parties.		-	-
2.Directors, CEO, CS, CFO, HIA and their spouses and minor children:			
2.A. Directors			
Md. Zia Uddin	Chairman	35,76,960	2.91
S.M. Saifur Rahman	Managing Director	87,74,560	7.13
Md. Afzal	Director	24,34,320	1.98
Md. Akbar Alam (Upol)	Independent Director	-	-
Md. Azhar Khan	Independent Director	-	-
2.B. CEO, CS, CFO, HIA:			
Prodip Roy	Chief Financial Officer	-	-
Md. Mahbubur Rahman	Company Secretary	1,000	
Md. Khalilur Rahman	Head of Internal Audit	-	-
3. Executive (Top 5 persons other CEO/CS/CFO/HIA			
A.B.M Jamal Uddin	Chief Operating Officer	92,000	0.07
4. Shareholding 10% or more voting right		-	-

Annexure-III

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

*** Mr. Md. Afzal, Director**

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

*** Mr. Md. Akbar Alam (Upol), Independent Director**

Md. Akbar Alam (Upol) is an Independent Director of Active Fine Chemicals Ltd. He is a business graduate and has vast experience in business. He is well connected in the Chemical business sector which helps to drive strong demand for our products. He is a very dynamic and resourceful person for the company. He is also an independent director of AFC Agro Biotech Ltd.

*** Mr. Md. Azhar Khan, Independent Director**

Md. Azhar khan is an Independent Director of Active Fine Chemicals Ltd. He is a business graduate. He is the Managing Director of Agro Organica Limited, Grainature Limited, Envotech Limited & Pragmatic Fashions Limited, and also an Independent Director of AFC Agro Biotech Ltd. He is the member of Amzad Khan Madrasa, WeHeal Foundation and M Arfan Khan College. He is involved with various social and economic activities from early age. His experience and leadership skill will provide smart and non-biased opinion adding a great value to the board and company.

Annexure-IV

Certificate on compliance with the condition of Corporate Governance Guide lines

MAZUMDAR SIKDER AND ASSOCIATES

Cost & Management Accountants

CERTIFICATE OF COMPLIANCE ON CORPORATE GOVERNANCE

OF

ACTIVE FINE CHEMICALS LIMITED

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Active Fine Chemicals Limited** for the year ended 30 June 2016. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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 Corporate Governance.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Place -Dhaka.
Date- October 20, 2016

Mazumdar Sikder and Associates
Cost & Management Accountants

105/A (3rd Floor), Kakrail, Dhaka - 1000, Phone: 02-8300376, Fax: 02-8300375

Annexure-V

Status of Compliance

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/134/Admin/44: dated 7th August, 2012

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.	Board of Directors:			
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors	✓		
1.2 (ii) a)	Does not hold any share or holds less than 1% shares of the total paid-up shares.	✓		
1.2 (ii) b)	Not connected with any Sponsor/Director/ shareholder who hold 1% or more shares of the total paid-up shares on the basis of family relationship.	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2 (ii) d)	Not a member, director or officer of any stock exchange.	✓		
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	✓		
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.	✓		
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies.	✓		
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI.	✓		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM.	✓		
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2 (vi)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		

1.3	**Qualification of Independent Director (ID):**			
1.3 (i)	Knowledge of Independent Directors.	✓		
1.3 (ii)	Background of Independent Directors.	✓		
1.3 (iii)	Special cases for qualifications.			N/A
1.4	Individual Chairman of the Board and CEO.	✓		
1.5	**The Directors' Report to Shareholders :**			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for related party transactions.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others.			N/A
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, and Direct Listing.			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements.			N/A
1.5 (x)	Remuneration to directors including Independent directors.	✓		
1.5 (xi)	Fairness of Financial Statement.	✓		
1.5 (xii)	Maintenance of proper books of accounts.	✓		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates.	✓		
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements.	✓		
1.5 (xv)	Soundness of internal control system.	✓		
1.5 (xvi)	Ability to continue as a going concern.	✓		
1.5 (xvii)	Significant deviations from the last year's.			N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) year.	✓		
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of board meetings held during the year and attendance.	✓		
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties.	✓		
1.5 (xxi) b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children.	✓		
1.5 (xxi) c)	Executives.	✓		
1.5 (xxi) d)	10% or more voting interest.	✓		
1.5 (xxii)	Appointment/re-appointment of director:			
1.5 (xxii) a)	Resume of the director	✓		
1.5 (xxii) b)	Expertise in specific functional areas.	✓		
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other then this company.	✓		

2.	**CFO, Head of Internal Audit (HIA) and CS:**			
2.1	Appointment of CFO, HIA and CS & defining their responsibilities.	✓		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		
3	**Audit Committee :**			
3 (i)	Constitution of Audit Committee	✓		
3 (ii)	Assistance of the Audit Committee to Board of Directors.	✓		
3 (iii)	Responsibility of the Audit Committee.	✓		
3.1	**Constitution of the Audit Committee:**			
3.1 (i)	At least 3 (three) members.	✓		
3.1 (ii)	Appointment of members of the Audit Committee.	✓		
3.1 (iii)	Qualification of Audit Committee members.	✓		
3.1 (iv)	Term of Service of Audit Committee members.	✓		
3.1 (v)	Secretary of the Audit Committee.	✓		
3.1 (vi)	Quorum of the Audit Committee.	✓		
3.2	**Chairman of the Audit Committee:**			
3.2 (i)	Board of Directors shall select the Chairman.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	✓		
3.3	**Role of Audit Committee:**			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and Principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.			N/A
3.4	**Reporting of the Audit Committee:**			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Activities of Audit Committee.	✓		
3.4.1 (ii) a)	Conflicts of interests.			No such incidence occurred
3.4.1 (ii) b)	Material defect in the internal control system.			No such incidence occurred
3.4.1 (ii) c)	Infringement of laws, rules and regulations.			No such incidence occurred
3.4.1 (ii) d)	Any other matter.			No such incidence occurred
3.4.2	Reporting to the Authorities.			N/A
3.5	Reporting to the Shareholders and General Investors.	✓		
4	**Engagement of External/Statutory Auditors:**			
4 (i)	Appraisal or valuation services or Fairness opinions.	✓		
4 (ii)	Financial information systems design and Implementation.	✓		
4 (iii)	Book-keeping.	✓		

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4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services.			
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firms shall not hold any share of the company they audit.	✓		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	✓		
5	**Subsidiary Company :**			
5 (i)	Composition of the Board of Directors.			N/A
5 (ii)	At least 1 (one) independent director to the subsidiary company.			N/A
5 (iii)	Submission of Minutes to the holding company.			N/A
5 (iv)	Review of Minutes by the holding company.			N/A
5 (v)	Review of Financial Statement by the holding company.			N/A
6.	**Duties of Chief Executive Officer and Chief Financial Officer:**			
6 (i) a)	Reviewed the materially untrue of the financial statement.	✓		
6 (i) b)	Reviewed about compliance of the Accounting standard.	✓		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct.	✓		
7.	**Reporting and Compliance of Corporate Governance:**			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	✓		
7 (ii)	Annexure attached in the directors' report.	✓		

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Annexure-VI

AUDIT COMMITTEE REPORT

For the year ended as a 30th June, 2016

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

The Audit Committee consists of the following members:

Name of the Directors	Designation	Position of Audit Committee
Mr. Md. Akbar Alam (Upol)	Independent Director	Chairman of Audit Committee
Mr. Md. Afzal	Director	Member
Mr. Md. Azhar Khan	Independent Director	Member
Mr. Md. Mahbubur Rahman	Company Secretary	Secretary

The scope of Audit Committee was defined as under:

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

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

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

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

Activities carried out during the year

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

Sd/-
Md. Akbar Alam (Upol)
Chairman
Audit Committee

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18th October, 2016

The Board of Directors

Active Fine Chemicals Limited

Navana Osman@ Link,

214/D, Tejgaon- Gulshan Link Road,

Tejgaon, Dhaka-1208.

Sub: Declaration to the Board.

In compliance of Bangladesh Securities and Exchange Commission Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 we have certified the Financial Statements for the period from January 2015 to June 2016 in the following manners:

i) We have reviewed financial statements for the year 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 no transactions entered into by the company during the period which are fraudulent, illegal or violation of the company's code of conduct to the best of knowledge and belief,

S.M Saifur Rahman
Managing Director

Prodip Roy
Chief Financial Officer

Ref. No-SB/127/2016 *Dated: October 19, 2016*

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ACTIVE FINE CHEMICALS LIMITED

We have audited the accompanying financial statements of **ACTIVE FINE CHEMICALS LIMITED**, which comprise the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act1994, Securities and Exchanges rules 1987 and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion:

In our opinion, the accounts are maintained and the statements are prepared and reported in accordance with the Bangladesh Accounting Standards (BAS) and the Bangladesh Financial Reporting Standards (BFRS), the financial statements present fairly in all material respects, give a true and fair view of the financial position of the company as of June 30, 2016 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act, 1994 and other applicable laws & regulation.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the securities and exchanges rules 1987, we also report the following:

(i) We have obtained all the information, explanations and documents which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.

(ii) The Company management has followed relevant provision of law and rules in managing the affairs of the Company and that proper books of account, records and other statutory books have been properly maintained.

(iii) The Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and

(iv) The expenditure incurred and payments made were for the purpose of the Company's business.

Dated – Dhaka
October 19, 2016

SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

ACTIVE FINE CHEMICALS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

Particulars	Notes	30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
ASSETS:					
Non-Current Assets:					
Property, Plant and Equipments at Carrying Value	2	**2,035,741,333**	**1,700,199,850**	**1,460,806,536**	**1,258,084,851**
Intangible Assets:		**16,197,237**	**17,669,713**	**19,142,189**	**20,614,666**
Product Development Cost	3	16,197,237	17,669,713	19,142,189	20,614,666
Investment	4	**378,748,311**	**398,222,914**	**272,873,336**	**302,900,000**
Current Assets:		**2,336,143,597**	**2,027,783,918**	**1,938,856,929**	**1,577,429,128**
Inventories	5	523,691,400	490,696,985	366,299,717	392,828,786
Advances, Deposits and Prepayments	6	274,255,808	156,089,272	117,371,554	60,429,093
Accounts Receivable	7	770,785,057	699,825,657	636,499,168	667,119,275
Cash and Cash Equivalents	8	767,411,332	681,172,004	818,686,490	457,051,974
TOTAL ASSETS		**4,766,830,478**	**4,143,876,395**	**3,691,678,990**	**3,159,028,645**
SHARE HOLDERS' EQUITY & LIABILITIES:					
Shareholders' Equity :		**3,509,159,261**	**3,299,202,255**	**2,937,675,948**	**2,758,596,615**
Share Capital	9	1,230,444,000	1,230,444,000	1,230,444,000	1,018,170,000
Share Premium	10	986,850,000	986,850,000	986,850,000	950,850,000
Retained Earnings		906,129,184	683,267,227	424,585,233	493,374,800
Revaluation Surplus	11	108,267,661	108,642,073	109,047,172	109,452,272
Gain on Marketable Securities (Unrealized)	4.01	90,718,873	103,249,412	-	-
Tax Holiday Reserve	12	186,749,543	186,749,543	186,749,543	186,749,543
Non-Current Liabilities:		**91,316,797**	**87,204,741**	**74,208,927**	**84,046,306**
Deferred Tax Liability	13	64,699,780	63,020,211	37,952,997	45,200,376
Long Term Loan-Secured	14	26,617,017	24,184,530	36,255,930	38,845,930
Current Liabilities:		**1,166,354,420**	**757,469,399**	**679,794,115**	**316,385,724**
Short term Loan	15	571,817,880	351,013,637	316,239,424	58,725,760
Long Term Loan-Current Portion	16	3,550,609	11,810,400	-	-
Provision for Current Tax	17	394,310,342	321,985,190	261,058,604	185,654,308
Liabilities for Expense & Services	18	152,359,374	43,010,460	23,127,759	57,071,160
Liabilities for Other Finance	19	44,316,215	29,649,712	79,368,328	14,934,496
TOTAL SHARE HOLDERS' EQUITY AND LIABILITIES		**4,766,830,478**	**4,143,876,395**	**3,691,678,990**	**3,159,028,645**
Net Assets Value per Share (NAVPS)		**28.52**	**26.81**	**23.87**	**22.42**

Md. Zia Uddin	**S.M Saifur Rahman**	**Prodip Roy**	**Md. Mahbubur Rahman**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS

Please see annexed report of date

SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Dated- Dhaka
October 19, 2016

ACTIVE FINE CHEMICALS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Period from 01 January 2015 to 30 June 2016

Amount in Taka

Particulars	Notes	01 Jan. 2015 to 30 June 2016	01 Jan. 2016 to 30 June 2016	01 Jan. 2015 to 31 Dec. 2015	01 Jan. 2014 to 30 June 2015	01 Jan. 2015 to 30 June 2015	01 Jan. 2014 to 31 Dec. 2014
Net Turnover	20	2,669,383,283	940,899,469	1,728,483,814	2,170,886,189	775,846,623	1,395,039,566
Cost of Goods Sold	21	(1,509,965,934)	(537,617,059)	(972,348,875)	(1,238,371,743)	(454,367,949)	(784,003,794)
Gross Profit		**1,159,417,349**	**403,282,410**	**756,134,939**	**932,514,446**	**321,478,674**	**611,035,772**
Operating Expenses		**(136,125,986)**	**(57,339,583)**	**(78,786,403)**	**(100,964,975)**	**(33,461,272)**	**(67,503,703)**
Administrative Expenses	22	(94,223,493)	(38,215,201)	(56,008,292)	(71,958,470)	(22,910,877)	(49,047,593)
Selling & Distribution Expenses	23	(41,902,493)	(19,124,382)	(22,778,111)	(29,006,505)	(10,550,395)	(18,456,110)
Profit from Operation		**1,023,291,363**	**345,942,827**	**677,348,536**	**831,549,471**	**288,017,402**	**543,532,069**
Finance Cost		(86,369,709)	(38,468,498)	(47,901,211)	(53,650,270)	(14,944,154)	(38,706,116)
Other Income		14,715,828	3,842,551	10,873,277	11,204,518	5,763,126	5,441,392
Net Profit before WPPF		**951,637,482**	**311,316,880**	**640,320,602**	**789,103,719**	**278,836,374**	**510,267,345**
Allocation for WPPF		(45,316,070)	(14,824,613)	(30,491,457)	(37,576,368)	(13,277,923)	(24,298,445)
Net Profit Before Tax		**906,321,412**	**296,492,267**	**609,829,145**	**751,527,351**	**265,558,451**	**485,968,900**
Income Tax Expenses		**(228,155,439)**	**(74,004,722)**	**(154,150,717)**	**(194,961,493)**	**(68,156,916)**	**(126,804,577)**
Provision for Current Tax		(208,656,035)	(72,325,153)	(136,330,882)	(174,434,417)	(75,404,295)	(99,030,122)
Provision for Deferred Tax		(19,499,404)	(1,679,569)	(17,819,835)	(20,527,076)	7,247,379	(27,774,455)
Net Profit After Tax		**678,165,973**	**222,487,545**	**455,678,428**	**556,565,858**	**197,401,535**	**359,164,323**
(Transferred to Statement of Changes in Equity)							

Amount in Taka

Particulars	Notes	01 Jan. 2015 to 30 June 2016	01 Jan. 2016 to 30 June 2016	01 Jan. 2015 to 31 Dec. 2015	01 Jan. 2014 to 30 June 2015	01 Jan. 2015 to 30 June 2015	01 Jan. 2014 to 31 Dec. 2014
Other Comprehensive Income:							
Gain/(loss) on Marketable Securities (Unrealized)		90,718,873	(12,530,541)	103,249,412	-	-	-
Total Comprehensive Income		**768,884,846**	**209,957,004**	**558,927,840**	**556,565,858**	**197,401,535**	**359,164,323**
Earnings per Share (Restated)	24	5.51	1.81	3.70	4.52	1.60	2.92

Md. Zia Uddin
Chairman

S.M Saifur Rahman
Managing Director

Prodip Roy
Chief Financial Officer

Md. Mahbubur Rahman
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS
Please see annexed report of date

SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Dated- Dhaka
October 19, 2016

ACTIVE FINE CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Period ended 30 June 2016

Particulars	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Revaluation Surplus	Gain/(loss) on Marketable Securities (Unrealized)	Total
Balance 1st January 2015	1,018,170,000	950,850,000	493,374,800	186,749,543	109,452,272		2,758,596,615
Allotment made during the year	7,200,000						7,200,000
Cash Dividend			(61,522,200)				(61,522,200)
Stock Dividend	205,074,000		(205,074,000)				-
Share Premium		36,000,000					36,000,000
Revaluation Surplus Adjustment for Depreciation			1,184,611		(1,184,611)		-
Total Comprehensive Income:							-
Net Profit after Tax			678,165,973				678,165,973
Other Comprehensive Income:						90,718,873	90,718,873
Balance 30th June, 2016	**1,230,444,000**	**986,850,000**	**906,129,184**	**186,749,543**	**108,267,661**	**90,718,873**	**3,509,159,261**

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

Particulars	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Revaluation Surplus	Gain/(loss) on Marketable Securities (Unrealized)	Total
Balance 1st January 2014	690,000,000	-	315,230,291	177,352,016	110,329,984		1,292,912,291
Allotment made during the year	190,170,000						190,170,000
Cash Dividend			(34,500,000)				(34,500,000)
Stock Dividend	138,000,000		(138,000,000)				-
Share Premium		950,850,000					950,850,000
Revaluation Surplus Adjustment			877,712		(877,712)		-
Total Comprehensive Income:							
Net Profit after Tax			359,164,323				359,164,323
Provision for Tax Holiday			(9,397,527)	9,397,527		-	-
Balance 31st December 2014	**1,018,170,000**	**950,850,000**	**493,374,800**	**186,749,543**	**109,452,272**	**-**	**2,758,596,615**
Balance 31st December 2013	**690,000,000**	**-**	**315,230,291**	**177,352,016**	**110,329,984**	**-**	**1,292,912,291**

Md. Zia Uddin
Chairman

S.M Saifur Rahman
Managing Director

Prodip Roy
Chief Financial Officer

Md. Mahbubur Rahman
Company Secretary

ACTIVE FINE CHEMICALS LIMITED

STATEMENT OF CASH FLOWS

For the Period ended 30 June 2016

Amount in Taka

Particulars	01 Jan. 2015 to 30 June 2016	01 Jan. 2016 to 30 June 2016	01 Jan. 2015 to 31 Dec. 2015	01 Jan. 2014 to 30 June 2015	01 Jan. 2015 to 30 June 2015	01 Jan. 2014 to 31 Dec. 2014
A. Cash Flows from Operating Activities:						
Collection from Sales	2,565,717,501	869,940,069	1,695,777,432	1,818,838,259	806,466,730	1,012,371,529
Payment to Suppliers	(1,297,231,681)	(362,767,350)	(934,464,331)	(1,166,859,043)	(395,642,263)	(771,216,780)
Payment for Expenses	(170,778,817)	(74,476,723)	(96,302,094)	(119,831,985)	(33,623,606)	(86,208,379)
Payment for Advance	(213,826,716)	(118,166,537)	(95,660,179)	(75,627,587)	(56,942,461)	(18,685,126)
Payment of WPPF	(22,022,000)	-	(22,022,000)	(34,455,880)	-	(34,455,880)
Other Income	14,715,829	3,842,551	10,873,278	11,204,518	5,763,126	5,441,392
Net Cash Generated from Operating Activities	**876,574,116**	**318,372,010**	**558,202,106**	**433,268,282**	**326,021,526**	**107,246,756**
B. Cash Flows from Investing Activities:						
Investment during the year	14,870,562	6,944,064	7,926,498	(100,169,079)	30,026,664	(130,195,743)
Purchase of Fixed Assets	(1,073,264,585)	(453,895,575)	(619,369,010)	(742,039,069)	(282,171,047)	(459,868,022)
Net Cash used in Investing Activities	**(1,058,394,023)**	**(446,951,511)**	**(611,442,512)**	**(842,208,148)**	**(252,144,383)**	**(590,063,765)**
C. Cash Flows from Financing Activities:						
Increase/(Decrease) in Short Term Loan	513,092,120	220,804,243	292,287,877	56,786,691	257,513,664	(200,726,973)
Increase/(Decrease) in Long Term Loan	(8,678,304)	(5,827,304)	(2,851,000)	10,681,430	(2,590,000)	13,271,430
Payment of Dividend	(55,434,551)	(158,110)	(55,276,441)	(39,535,936)	(10,366,291)	(29,169,645)
Increase of Share Capital	7,200,000	-	7,200,000	197,370,000	7,200,000	190,170,000
Receipts of Share Premium	36,000,000	-	36,000,000	986,850,000	36,000,000	950,850,000
Net Cash Generated/(Used) from Financing Activities	**492,179,265**	**214,818,829**	**277,360,436**	**1,212,152,185**	**287,757,373**	**924,394,812**

Amount in Taka

Particulars	01 Jan. 2015 to 30 June 2016	01 Jan. 2016 to 30 June 2016	01 Jan. 2015 to 31 Dec. 2015	01 Jan. 2014 to 30 June 2015	01 Jan. 2015 to 30 June 2015	01 Jan. 2014 to 31 Dec. 2014
D. Net Cash Inflow/(Outflow) from Total Activities (A+B+C)	310,359,358	86,239,328	224,120,030	803,212,319	361,634,516	441,577,803
E. Opening Cash & Cash Equivalents	457,051,974	681,172,004	457,051,974	15,474,171	457,051,974	15,474,171
F. Cash and Cash Equivalents at the End (D + E)	767,411,332	767,411,332	681,172,004	818,686,490	818,686,490	457,051,974

Md. Zia Uddin
Chairman

S.M Saifur Rahman
Managing Director

Prodip Roy
Chief Financial Officer

Md. Mahbubur Rahman
Company Secretary

AMAR STOCK

ACTIVE FINE CHEMICALS LTD.

REPORTS ON THE FINANCIAL STATEMENTS BASED ON BANGLADESH FINANCIAL REPORTING STANDARDS (BFRS) FOR THE PERIOD ENDED 30 JUNE 2016.

1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

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

1.02 Registered Office and Factory:

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

1.03 Nature of Business Operations:

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

1.04 Commercial Production:

Its commercial production has been started since 5th October, 2009.

1.05 Components of Financial Statements:

1. Statement of Financial Position as at June 30, 2016
2. Statement of Profit or Loss and Other Comprehensive Income for the period 01 January 2015 to 30 June 2016.
3. Statement of Cash flows for the period ended June 30, 2016
4. Statement of Changes in Equity for the period ended June 30, 2016
5. Notes, Comprising a Summary of Significant Accounting Policies and other Explanatory notes.

1.06 Application of Bangladesh Accounting Standards (BAS's):

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

BAS – 1 Presentation of Financial Statements

BAS – 2 Inventories

BAS – 7 Statements of Cash Flows

BAS – 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS – 12 Income Taxes

BAS – 16 Properties, Plant and Equipment

BAS – 18 Revenue

BAS – 19 Employee Benefits

BAS – 21 The effects of Changes in Foreign Exchange Rate

BAS – 23 Borrowing Costs

BAS – 24 Related Party Disclosures

BAS – 33 Earnings per Share

BAS – 37 Provisions, Contingent Liabilities and Contingent Assets

BAS – 38 Intangible Assets

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 generally accepted accounting principles and practice in Bangladesh, Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities & Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other applicable laws and regulation.

ii. Basis of measurement:

The financial statements have been prepared on the Historical Cost basis except for certain assets which are stated at revalued amount.

iii. Functional and presentational currency and level of precision:

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

iv. Use of estimates and judgments:

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

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

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

v. Reporting Period:

The financial period of the company cover the period from 01 January 2015 to 30 June 2016 in accordance with the requirements of the notification no SEC/SRMIC/2011/1240/445 dated April 27, 2016 of Bangladesh Securities and Exchange Commission (BSEC) and sub- section 35 of section 2 of Income Tax Ordinance for uniform income year from 1st day of July to 30th day of June as amended by the provision of section 9 of the finance act 2015 and the amounts presented in the financial statement are not entirely comparable.

vi. Comparative Information:

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

vii. Presentation of Financial Statements:

The presentation of this financial statement is in accordance with the guidelines provided by BAS-1 Presentation of Financial Statements.

viii. Regulatory Compliances:

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

The Income Tax Ordinance 1984

The Income Tax Rules 1984

The Securities Exchange Rules 1987

The Value Added Tax Act 1991

The Value Added Tax Rules 1991

1.08 Significant Accounting Policies:

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

i. Inventories:

Inventories are valued at the lower of cost or net realizable value as prescribed by **BAS- 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 consists of as follows:

a) Raw Materials.

b) Packing Materials.

c) Work-in Process.

d) Finished Goods.

ii. Statement of Cash Flows:

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

iii. Income Tax:

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in Statement of Comprehensive Income.

Deferred Tax:

This is the fifth year of commercial operation. Deferred tax has been calculated according to **BAS-12** and due effect has been given in the financial statements.

iv. Property, Plant and Equipments:

Recognition and Measurement:

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

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

Depreciation:

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

Depreciation is charged at the rate varying from 3% to 20% depending on the estimated useful lives of the assets. The revalued property, plant and equipment are depreciated by writing off their net book value at the date of revaluation over their remaining estimated useful life.

Depreciation is charged on additions made during the year from the date in which those assets are put into ready for use according to BAS 16 Para 55.

No depreciation is charged on land and land development. The rate of depreciation applied on straight line method for the current and comparative years are as follows:

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

Subsequent Costs:

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

v. Impairment of Assets:

Financial Asset:

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

Non financial Assets:

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

vi. Financial risk management :

Active Fine Chemicals Ltd's activities expose it to a variety of financial risk and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risk. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. Active Fine Chemicals Ltd's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on Active Fine Chemicals Ltd's financial performance. Active Fine Chemicals Ltd's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risk and adherence to limits by means of reliable and up- to- date information systems. Active Fine Chemicals Ltd's regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

vii. Product Development Cost:

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

viii. Investment in Shares:

As per requirements of Bangladesh Accounting Standards (BAS)-39, investment in shares falls either under **"at fair value through Statement of Profit or Loss & Other Comprehensive Income"** or under "available for sale" where any change in the fair value at the year end is taken to Statement of Comprehensive Income. Active Fine Chemical Limited recognizes its investment in shares as per BAS-39 and accounted for the required provision for diminution in Value of Investment in Share in the **Statement of Profit or Loss & Other Comprehensive Income.**

ix. Revenue Recognition:

In compliance with the requirements of BAS-18 Revenue, revenue from receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Sales price represents inclusive of VAT, but sales less VAT are recognized as "Revenue".

x. Employee Benefits:

The company's employee benefits include the followings:

a) Short-term employee benefits:

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

b) Workers' Profit Participation Fund:

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

xi. Foreign Currency Transactions:

Foreign Currencies are transacted into taka at the exchange rates ruling on the date of transactions in accordance with **BAS-21 "The effects of changes in foreign exchange rates".**

xii. Borrowing Cost/Finance Cost:

Finance cost comprises interest expenses on bank loan, finance lease, bank charge and other borrowings. All finance expenses are recognized in the profit & loss account.

xiii. Related Party Transaction:

Related party transaction took place is investment in shares with AFC Capital Limited, AFC Solvents Limited & AFC Agro Biotech Limited & AFC Agro Biology Limited and share money deposit with AFC Health Limited & AFC Capital Limited. Further AFC Agro Biotech Ltd. is one of the Raw Materials suppliers of Active Fine Chemicals Ltd.

xiv. Earning per Share (EPS):

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

Basic earnings per share:

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

Diluted Earnings per Share:

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

xv. Provisions:

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

xvi. Advance, Deposits and Prepayments:

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

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to income statement.

xvii. Cash and Cash equivalents:

Cash and Cash equivalents include cash in hand, cash at banks which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

xviii. Contingencies:

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

xix. Accounts Receivables:

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

xx. Segment Reporting:

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

xxi. General:

Previous year's figures have been regrouped / reclassified where considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statements.

		30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
2.00 Property, Plant & Equipment :					
Opening balance		2,157,199,901	1,537,830,891	1,537,830,891	1,077,962,869
Add: Addition during the year		453,895,575	619,369,010	282,171,047	459,868,022
		2,611,095,476	**2,157,199,901**	**1,820,001,938**	**1,537,830,891**
Less: Disposal / Transfer during the year		-	-		-
Less: Accumulated Depreciation		575,354,143	457,000,051	359,195,402	279,746,040
Carrying Value	**Taka:**	**2,035,741,333**	**1,700,199,850**	**1,460,806,536**	**1,258,084,851**
Details have been shown in **(Annexure-A)**					
3.00 Product Development Cost:					
This consists of as follows:					
Opening Balance		17,669,713	20,614,665	20,614,665	23,559,619
Add: Addition During the year		-	-	-	-
		17,669,713	**20,614,665**	**20,614,665**	**23,559,619**
Less: Written off @ 10%		1,472,476	2,944,953	1,472,476	2,944,953
Total	**Taka:**	**16,197,237**	**17,669,713**	**19,142,189**	**20,614,666**

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

4.00 Investment :					
This consists of as follows:					
Investment in Securities- Listed Com.(Fair Value) - Note: 4.01		156,798,311	176,272,914	72,023,336	72,050,000
Investment in Securities- Unlisted Com. (Fair Value)-Note: 4.01		185,924,000	185,924,000	47,150,000	47,150,000
Share money deposit with AFC Health Ltd.		36,026,000	36,026,000	151,700,000	151,700,000
Share money deposit with AFC Capital Ltd.			-	2,000,000	32,000,000
Total	**Taka:**	**378,748,311**	**398,222,914**	**272,873,336**	**302,900,000**

10% of Tax Holiday Reserve has been invested in the secondary market as requirement of the clause 46(b) sub section 4(b) of Income Tax Ordinance 1984.

4.01 Details of marketable securities are given below:

Name of Company	30.06.2016				% of Share Holding	31.12.2015		
	No. of Shares	Cost Value	Market Value	Unrealized gain / loss		Cost Value	Market Value	Unrealized gain / loss
Listed Co:								
OAL	29,758	-		-		1,000,166	984,989	(15,177)
AB Bank	253,125	6,029,438	3,974,063	(2,055,375)		6,030,000	4,702,500	(1,327,500)
City Bank	285,600	-	-	-		5,943,336	5,826,240	(117,096)
AFC Agro Biotech Ltd.(Bonus Share)	1,591,325	-	92,774,248	92,774,248	2.52		104,709,185	104,709,185
AFC Agro Biotech Ltd.	6,005,000	60,050,000	60,050,000	-	9.49	60,050,000	60,050,000	-
Sub Total	**8,164,808**	**66,079,438**	**156,798,311**	**90,718,873**		**73,023,502**	**176,272,914**	**103,249,412**

Shares of AFC Agro Biotech Ltd. has been shown at cost price as the Share has been lock in and not saleable as on 30 June 2016.

Gain/(Loss) on Marketable Securities (Unrealized):	
During the period 01 January 2015 to 30 June 2016	90,718,873
During the period 01 January 2015 to 31 December 2015	103,249,412
During the period 1st January 2016 to 30 June 2016	**(12,530,541)**

Gain/(Loss) on Marketable Securities has been disclosed as per BAS-39

Name of Company	30.06.2016			% of Share Holding	31.12.2015		
	No. of Shares	Cost Value	Unrealized gain / loss		No. of Shares	Cost Value	Unrealized gain / loss
Un-Listed Co:							
Subscription for Shares:							
AFC Capital Ltd.	620,000	62,000,000	-	47.69	620,000	62,000,000	-
AFC Solvents Ltd.	5,000	50,000	-	12.50	5,000	50,000	-
AFC Agro Biology Ltd.	10,000	100,000	-	1.06	10,000	100,000	-
AFC Health Ltd.	12,377,400	123,774,000	-	17.68	12,377,400	123,774,000	-
Sub Total	**13,012,400**	**185,924,000**	-		**13,012,400**	**185,924,000**	-

		30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
5.00 Inventories :					
The break-up is as follows:					
Raw Materials		314,567,820	300,234,750	224,577,854	247,467,860
Packing Materials		29,987,450	30,059,725	20,878,291	19,234,567
Work in process		55,679,350	50,256,750	38,967,894	38,256,785
Finished goods		123,456,780	110,145,760	81,875,678	87,869,574
Total	**Taka:**	**523,691,400**	**490,696,985**	**366,299,717**	**392,828,786**

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

6.00 Advances, Deposits & Prepayments :					
The break-up is as follows:					
Advances:					
Tax Deducted at Sources	**(Note 6.01)**	21,671,062	19,741,057	16,607,432	10,807,785
Advance Income Tax at Import Stage	**(Note 6.02)**	39,045,952	31,535,689	26,701,986	18,655,328
Advance VAT	**(Note 6.03)**	31,619,066	27,714,176	26,442,304	5,382,758
Advance Against Construction		11,075,250	42,168,500		-
Advance to Staff		1,956,679	1,012,418	1,316,655	283,500
Advance for rent and others		7,481,900	7,942,500	8,510,500	690,500
Advance to C & F agents and others		1,036,300	986,300	986,300	936,300
Sub Total		**113,886,209**	**131,100,640**	**80,565,177**	**36,756,171**
Deposits:					
Security Money		4,071,911	3,096,269	3,062,819	1,510,339
L.C Margin		24,922,150	8,202,939	16,957,997	17,366,483
Sub Total		**28,994,061**	**11,299,208**	**20,020,816**	**18,876,822**
Prepayments :					
Prepayment to parties		**131,375,538**	**13,689,424**	**16,785,561**	**4,796,100**
Sub Total		131,375,538	13,689,424	16,785,561	4,796,100
Total	**Taka:**	**274,255,808**	**156,089,272**	**117,371,554**	**60,429,093**

a) This is considered good.

b) Employees advances of Tk. 19,56,679/- as shown above.

c) No amount was due from the Managing Director, Managing Agent, Directors, Managers and Officers of the company and any of them severally with any other person except as stated in (b) above

d) No amount was due by the related party.

	30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
6.01 Tax Deduct at Sources:				
The break-up is as follows:				
Opening balance	19,741,057	10,807,785	10,807,785	5,813,122
Add: Deducted during the year	1,930,005	8,933,272	5,799,647	4,994,663
	21,671,062	**19,741,057**	**16,607,432**	**10,807,785**
Less: Adjust during the year	-	-	-	-
Total	**21,671,062**	**19,741,057**	**16,607,432**	**10,807,785**
6.02 Advance Income Tax at Import Stage:				
The break-up is as follows:				
Opening balance	31,535,689	18,655,328	18,655,328	12,802,891
Add: Paid during the year	7,510,263	12,880,361	8,046,658	5,852,437
	39,045,952	**31,535,689**	**26,701,986**	**18,655,328**
Less: Adjust during the year	-	-	-	-
Total	**39,045,952**	**31,535,689**	**26,701,986**	**18,655,328**
6.03 Advance VAT:				
The break-up is as follows:				
Opening balance	27,714,176	5,382,758	5,382,758	4,761,335
Add: Paid during the year	32,098,800	53,888,389	31,962,128	30,125,045
	59,812,976	**59,271,147**	**37,344,886**	**34,886,380**
Less: Adjust during the year	28,193,910	31,556,971	10,902,582	29,503,622
Total	**31,619,066**	**27,714,176**	**26,442,304**	**5,382,758**
7.00 Accounts Receivable :	**770,785,057**	**699,825,657**	**636,499,168**	**667,119,275**
Total	**770,785,057**	**699,825,657**	**636,499,168**	**667,119,275**

Ageing of Accounts Receivable as follows:

Below 30 Days	161,883,955
With in 31- 60 Days	147,127,488
With in 61- 90 Days	152,745,475
With in 91-120 Days	126,205,690
With in 121-180 days	109,615,813
Above 180 days	73,206,636
Total	**770,785,057**

This includes receivable of Tk.1,621,922 against Institutions & Tk. 769,163,135 due from the local distributors of the pharmaceutical product of the company.

No amount was due from the Managing Director, Managing Agent, Directors, Managers and Officers of the company and any of them severally or jointly with any other person. This amount consider as good.

	30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
8.00 Cash & Cash Equivalents :				
Cash in Hand	1,138,448	449,636	1,563,301	1,127,473
Cash at Bank:				
Current Accounts	264,982,778	297,366,314	274,864,083	5,806,666
SND Accounts	501,290,106	383,356,054	542,259,106	450,117,835
Total :	**767,411,332**	**681,172,004**	**818,686,490**	**457,051,974**
9.00 Share Capital				
This is made-up as follows:				
Authorized:				
30,00,00,000 Ordinary Shares of Tk. 10 each	**3,000,000,000**	**3,000,000,000**	**3,000,000,000**	**3,000,000,000**
Issued and Paid-up Capital :				
A) By Cash:				
4,00,00,000 Ordinary Shares of Tk. 10 each	400,000,000	400,000,000	400,000,000	400,000,000
19,737,000 Ordinary Shares of Tk. 10 each "(New Capital Raise Vide BSEC Letter No. SEC/ci/cplc(pvt.)-201/09/559 Dt. August,12 2014)"	197,370,000	197,370,000	197,370,000	190,170,000
B) By Issue of Bonus Share:				
60,00,000 Ordinary Shares of Tk. 10 each (2010 Stock 15%)	60,000,000	60,000,000	60,000,000	60,000,000
92,00,000 Ordinary Shares of Tk. 10 each (2011 Stock 20%)	92,000,000	92,000,000	92,000,000	92,000,000
1,38,00,000 Ordinary Shares of Tk. 10 each (2012 Stock 25%)	138,000,000	138,000,000	138,000,000	138,000,000
1,38,00,000 Ordinary Shares of Tk. 10 each (2013 Stock 20%)	138,000,000	138,000,000	138,000,000	138,000,000
2,05,07,400 Ordinary Shares of Tk. 10 each (2014 Stock 20%)	205,074,000	205,074,000	205,074,000	-
Total	**1,230,444,000**	**1,230,444,000**	**1,230,444,000**	**1,018,170,000**

Shareholding Position are as follows :	Number of Shares	Number of Shares	Number of Shares	Number of Shares
Directors / Sponsors	14,685,840	14,685,840	14,685,840	12,238,200
Institutions	29,653,700	29,653,700	29,653,700	26,340,058
General Shareholders	78,704,860	78,704,860	78,704,860	63,239 742
Total	**123,044,400**	**123,044,400**	**123,044,400**	**101,817,000**

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

Shareholdings	Numbers of Share holder	Numbers of Shares	% of total Shareholding
Less than 500 shares	3,858	857,172	0.70
501 to 5000 shares	7,434	11,792,219	9.58
5,001 to 10,000 shares	802	5,988,495	4.87
10,001 to 20,000 shares	469	6,743,570	5.48
20,001 to 30,000 shares	151	3,750,479	3.05
30,001 to 40,000 shares	71	2,508,801	2.04
40,001 to 50,000 shares	40	1,843,954	1.50
50,001 to 1,00,000 shares	97	6,985,371	5.68
1,00,001 to 10,00,000 shares	114	31,154,511	25.32
Over 10,00,000 shares	21	51,419,828	41.79
Total	**13,057**	**123,044,400**	**100**

	30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
10.00 Share Premium				
This is made-up as follows:				
Opening Balance	986,850,000	950,850,000	950,850,000	-
Add: Received during the year	-	36,000,000	36,000,000	950,850,000
Total Taka:	**986,850,000**	**986,850,000**	**986,850,000**	**950,850,000**
11.00 Revaluation Surplus :				
This is made-up as follows:				
Opening Balance	109,452,272	109,452,272	109,452,272	110,329,984
Add: Addition during the year	-	-	-	-
	109,452,272	**109,452,272**	**109,452,272**	**110,329,984**
Less: Adjustment during the year (Note 11.01)	1,184,611	810,199	405,100	877,712
Total Taka:	**108,267,661**	**108,642,073**	**109,047,172**	**109,452,272**

11.01 Adjustment During the Period:

Details are presented below:

Particulars	Revaluation Surplus 1/1/2015	Depreciation Adjustment	Revaluation Surplus 30/06/2016
Land & Land Development	94,800,000	-	94,800,000
Building	9,357,545	416,877	8,940,668
Plant & Machinery	373,977	54,226	319,751
Gas Line Installation & Other Cons.	4,920,750	713,508	4,207,242
Total Taka:	**109,452,272**	**1,184,611**	**108,267,661**

12.00 Tax Holiday Reserve:				
This is made-up as follows:				
Opening Balance	186,749,543	186,749,543	186,749,543	177,352,016
Add: Addition during the year	-	-	-	9,397,527
Total Taka:	**186,749,543**	**186,749,543**	**186,749,543**	**186,749,543**
13.00 Deferred Tax Liability:				
This is made-up as follows:				
Opening Balance	63,020,211	45,200,376	45,200,376	17,425,921
Add: Provision made	1,679,569	17,819,835	-	27,774,455
	64,699,780	63,020,211	45,200,376	45,200,376
Less: Adjustment during the year	-	-	**7,247,379**	-
Total Taka:	**64,699,780**	**63,020,211**	**37,952,997**	**45,200,376**

This represents provision is made for deferred income tax to pay future income tax liability for temporary differences .

14.00 Long Term Loan- Secured:				
This represents long term secured loans from the following financial institutions :				
Loan from Bank:				
Bangladesh Development Bank Ltd.	26,617,017	24,184,530	36,255,930	38,845,930
Total Taka:	**26,617,017**	**24,184,530**	**36,255,930**	**38,845,930**

Bangladesh Development Bank Ltd.

The details of above bank accounts are appended below:

Nature	: Balancing & Expansion
Sanction Limit	: Tk.14.49 Crore
Period	: 5 years 6 months
Interest Rate	: 14% (variable)

	30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
15.00 Short term Loans :				
This consists of as follows:				
Loan from Bank (CC/ OD/LATR):				
NRB Bank Ltd. A/c No. 1245(O/D)	41,514,555	20,466,993	7,942,462	10,223,838
NRB Bank Ltd. A/c No. 11234 (LATR)	272,678,950	81,932,895	63,824,363	-
NRB Bank Ltd. A/c No. 0443 (LATR)	-	-	-	22,913,599
EBL Securities Ltd. A/c No. (BO ID-409)	-	8,374	7,755	-
Janata Bank Ltd. A/c No. 010237004755 **(Note 15.01)**	257,624,375	248,605,375	244,464,844	25,588,323
Total Taka:	**571,817,880**	**351,013,637**	**316,239,424**	**58,725,760**

15.01 Janata Bank A/c # 010237004755 :

The details of above bank accounts are appended below:

Nature	: CC (HYPO)
Sanction Limit	: Tk.25.00 Crore
Expiry date	: 28/02/2017
Interest Rate	: 13% (variable)
Renewal Status	: Renewed
Security	: 342 decimal land at Mokterpur

16.00 Long Term Loans-Current Portion :

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from January 2016 and consists of the followings:

Bangladesh Development Bank Ltd.	3,550,609	11,810,400	-	-
Total	**3,550,609**	**11,810,400**	**-**	**-**

17.00 Provision for Current Tax:

The break-up is as follows:

Opening balance	321,985,190	185,654,308	185,654,308	86,624,186
Add: Addition During the year	72,325,152	136,330,882	75,404,295	99,030,122
	394,310,342	**321,985,190**	**261,058,604**	**185,654,308**
Less: Payment during the year	-	-	-	-
Total Taka:	**394,310,342**	**321,985,190**	**261,058,604**	**185,654,308**

18.00 Liabilities for Expenses & Services :

The break-up is as follows:

Salary & Remuneration	5,972,310	4,343,423	3,943,211	3,314,000
Rent	-	-	597,496	320,500
Utility Bill	1,405,124	993,971	821,102	610,500
Source Tax-Salary	64,116	61,638	41,066	28,066
Audit Fees	189,750	126,500	25,000	100,000
AGM Expenses	1,200,000	1,200,000	926,982	1,500,000
	8,831,300	**6,725,532**	**6,354,857**	**5,873,066**
Add: Accounts Payable & L C Payable	143,528,074	36,284,928	16,772,902	51,198,094
Total Taka:	**152,359,374**	**43,010,460**	**23,127,759**	**57,071,160**

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

Accounts payable including payable to AFC Agro Biotech Ltd. Tk. 40,60,434.00 as on 30th June,2016. During the period from Jan 2015 to June 2016 Agro Biotech Ltd. Suppliers raw materials to Active Fine Chemicals Ltd. tk.2,20,72,924.00 and AFCL paid tk.2,78,55,974.00 for adjusting opening payable tk. 98,43,484.00. No source Tax has been deducted as AFC Agro Biotech Ltd. enjoy Tax Holiday as per NBR Letter no.08.0000.035.01.001.13/14(2). dated. 10/03/2013 for period 07/10/2009 to 06/10/2019.

		30-Jun-16	31-Dec-15	30-Jun-15	31-Dec-14
19.00 Liabilities for Other Finance :					
This is made-up as follows:					
Contribution to WPPF	**(Note:19.01)**	32,898,211	18,073,598	22,882,064	9,604,141
Dividend payable	**(Note:19.02)**	11,418,004	11,576,114	56,486,264	5,330,355
Total Taka:		**44,316,215**	**29,649,712**	**79,368,328**	**14,934,496**

19.01 Contribution to WPPF:

The break-up is as follows:				
Opening balance	18,073,598	9,604,141	9,604,141	19,761,576
Add: Addition during the year	14,824,613	30,491,457	13,277,923	24,298,445
	32,898,211	**40,095,598**	**22,882,064**	**44,060,021**
Less: Payment during the year	-	22,022,000	-	34,455,880
Total Taka:	**32,898,211**	**18,073,598**	**22,882,064**	**9,604,141**

This represents 5% of net profit before tax after charging the contribution as per provisions of the Companies Profit (Workers' Profit Participation Fund) Act,1968 and is payable to workers as defined in the said Act.

19.02 Dividend Payable :

The break-up is as follows:				
Opening balance	11,576,114	5,330,355	5,330,355	-
Add: Addition during the year	-	61,522,200	61,522,200	34,500,000
	11,576,114	**66,852,555**	**66,852,555**	**34,500,000**
Less: Payment during the year	158,110	55,276,441	10,366,291	29,169,645
Total Taka:	**11,418,004**	**11,576,114**	**56,486,264**	**5,330,355**

	Jan. 2015 to June 2016	Jan. 2016 to June 2016	Jan. 2015 to Dec. 2015	Jan. 2014 to June 2015	Jan. 2015 to June 2015	Jan. 2014 to Dec. 2014
20.00 Net Turnover :						
This is made-up as follows:						
Local Sales	2,663,710,623	937,137,059	1,726,573,564	2,167,734,884	775,066,673	1,392,668,211
Export	5,672,660	3,762,410	1,910,250	3,151,305	779,950	2,371,355
Total Taka:	**2,669,383,283**	**940,899,469**	**1,728,483,814**	**2,170,886,189**	**775,846,623**	**1,395,039,566**

Local Sales including Vatable product Sales total Tk. 398,339,203.00 and Non-Vatable product Sales total Tk. 2,265,371,420.00

21.00 Cost of Goods Sold:						
This is arrived as follows:						
Opening W I P	38,256,785	50,256,750	38,256,785	38,551,087	38,256,785	38,551,087
Raw Material consumed **(Note:21.01)**	1,129,912,004	389,863,418	740,048,586	962,172,882	324,523,306	637,649,576
Packing Material consumed **(Note:21.02)**	69,750,746	25,044,591	44,706,155	60,590,197	23,755,093	36,835,104
Less: Closing W I P	55,679,350	55,679,350	50,256,750	38,967,894	38,967,894	38,256,785
Total Consumed	**1,182,240,185**	**409,485,409**	**772,754,776**	**1,022,346,272**	**347,567,290**	**674,778,982**
Add: Factory Overhead **(Note:21.03)**	364,728,960	141,999,065	222,729,895	257,568,926	101,194,213	156,374,713
Cost of Production	**1,546,969,145**	**551,484,474**	**995,484,671**	**1,279,915,198**	**448,761,503**	**831,153,695**
Add: Opening Finished Goods	87,869,574	110,145,760	87,869,574	41,353,223	87,869,574	41,353,223
Finished Goods Available	**1,634,838,719**	**661,630,234**	**1,083,354,245**	**1,321,268,421**	**536,631,077**	**872,506,918**
Less: Closing Finished Goods	123,456,780	123,456,780	110,145,760	81,875,678	81,875,678	87,869,574
Less: Stock Damage	382,895	175,670	207,225	205,230	81,780	123,450
Less: Cost of Sample	1,033,110	380,725	652,385	815,770	305,670	510,100
Cost of Goods Sold Taka:	**1,509,965,934**	**537,617,059**	**972,348,875**	**1,238,371,743**	**454,367,949**	**784,003,794**
21.01 Raw Material Consumed :						
This is made-up as follows:						
Opening Raw Materials	247,467,860	300,234,750	247,467,860	445,854,331	247,467,860	198,386,471
Add: Purchase Raw Materials	1,197,011,964	404,196,488	792,815,476	988,364,265	301,633,300	686,730,965
Less: Closing Raw Materials	314,567,820	314,567,820	300,234,750	472,045,714	224,577,854	247,467,860
Total Taka:	**1,129,912,004**	**389,863,418**	**740,048,586**	**962,172,882**	**324,523,306**	**637,649,576**

	Jan. 2015 to June 2016	Jan. 2016 to June 2016	Jan. 2015 to Dec. 2015	Jan. 2014 to June 2015	Jan. 2015 to June 2015	Jan. 2014 to Dec. 2014
21.02 Packing Material Consumed :						
This is made-up as follows:						
Opening Packing Materials	19,234,567	30,059,725	19,234,567	33,520,242	19,234,567	14,285,675
Add: Purchase Packing Materials	80,503,629	24,972,316	55,531,313	67,182,813	25,398,817	41,783,996
Less: Closing Packing Materials	29,987,450	29,987,450	30,059,725	40,112,858	20,878,291	19,234,567
Total Taka:	**69,750,746**	**25,044,591**	**44,706,155**	**60,590,197**	**23,755,093**	**36,835,104**
21.03 Factory Overhead :						
This is made-up as follows:						
Car Maintenance	311,817	68,372	243,445	463,650	167,970	295,680
Carrying Exp.	730,735	408,350	322,385	409,245	232,045	177,200
Depreciation	251,266,886	100,600,978	150,665,908	162,189,854	67,531,957	94,657,897
Donation	33,500	8,500	25,000	25,000	25,000	-
Entertainment Expenses	933,851	488,978	444,873	591,069	188,988	402,081
Fuel, Petrol & Lubricant	1,153,390	417,890	735,500	1,073,294	258,638	814,656
Rent	3,068,754	1,255,219	1,813,535	2,783,500	870,000	1,913,500
Insurance Premium	5,803,511	3,664,383	2,139,128	3,517,681	1,758,082	1,759,599
Lab Materials	1,514,094	543,326	970,768	999,872	182,533	817,339
Medical Exp.	133,798	118,958	14,840	30,888	8,211	22,677
Municipal Tax	140,529	139,529	1,000	6,230	1,000	5,230
News Paper Bills	-	-	-	2,890	-	2,890
Other Expenses	278,303	87,783	190,520	163,384	7,700	155,684
Printing & Stationery Expenses	1,958,314	972,856	985,458	1,122,454	366,682	755,772
Repair & Maintenance Expenses	3,436,066	1,198,339	2,237,727	3,462,144	906,459	2,555,685
Research & Development Exp.	16,476,369	2,950,702	13,525,667	18,070,400	7,671,965	10,398,435
Salary & Allowance	59,872,670	21,433,986	38,438,684	51,218,485	17,291,985	33,926,500
Stock Damage	382,895	175,670	207,225	205,230	81,780	123,450
Training Fees	105,000	-	105,000	105,000	105,000	-
Telephone & Postage Exp.	452,086	160,550	291,536	418,838	146,600	272,238
Traveling & Conveyance Expenses	1,127,908	346,013	781,895	1,283,726	529,175	754,551
Uniform Purchase	283,545	132,400	151,145	90,115	63,415	26,700
Utility Bill	15,264,939	6,826,283	8,438,656	9,335,977	2,799,028	6,536,949
Total Taka:	**364,728,960**	**141,999,065**	**222,729,895**	**257,568,926**	**101,194,213**	**156,374,713**

22.00 Administrative Expenses:

This is made-up as follows:

	Jan. 2015 to June 2016	Jan. 2016 to June 2016	Jan. 2015 to Dec. 2015	Jan. 2014 to June 2015	Jan. 2015 to June 2015	Jan. 2014 to Dec. 2014
Audit Fees	189,750	63,250	126,500	146,125	-	146,125
Bank Charge	597,409	240,714	356,695	159,382	41,712	117,670
Books & periodicals	100,392	52,932	47,460	50,630	20,420	30,210
Car Maintenance	1,102,223	398,384	703,839	892,598	355,884	536,714
Depreciation	44,341,215	17,753,114	26,588,101	28,621,739	11,917,404	16,704,335
Director Remuneration	1,405,000	775,000	630,000	475,000	150,000	325,000
Donation	90,000	90,000	-	65,000	-	65,000
AGM & EGM Expenses	1,200,000	-	1,200,000	2,781,792	-	2,781,792
Entertainment Expenses	2,423,260	1,207,503	1,215,757	2,062,113	635,574	1,426,539
Fuel, Petrol & Lubricant	1,064,583	616,275	448,308	670,795	193,056	477,739
Insurance Expenses	-	-	-	32,658		32,658
Legal Expenses	19,000	19,000	-	11,500		11,500
Medical Exp.	24,100	944	23,156	22,022	20,000	2,022
News Paper Bill	21,784	7,183	14,601	23,025	8,150	14,875
Rent	5,200,973	2,061,361	3,139,612	2,363,046	1,041,096	1,321,950
Other Expenses	232,965	72,727	160,238	105,514	53,107	52,407
Printing & Stationery Expenses	2,023,210	758,721	1,264,489	1,523,888	654,336	869,552
Product Development Cost (Written off)	4,417,429	1,472,476	2,944,953	4,417,429	1,472,476	2,944,953
Repair & Maintenance Expenses	965,748	533,015	432,733	672,367	228,774	443,593
Registration & Renewal	1,022,670	356,058	666,612	362,850	130,950	231,900
Regulatory Fees	4,782,083	1,605,415	3,176,668	8,059,527	780,323	7,279,204
Salary & Allowance	18,591,143	8,378,281	10,212,862	15,435,551	4,040,646	11,394,905
Telephone & Postage Expenses	736,753	282,270	454,483	790,953	156,086	634,867
Traveling & Conveyance Expenses	2,173,048	862,625	1,310,423	1,300,395	588,945	711,450
Training Fees	69,200	24,800	44,400	79,400	36,400	43,000
Utility Bill	1,312,640	508,153	804,487	791,257	343,623	447,634
Web Development	116,915	75,000	41,915	41,915	41,915	-
Total Taka:	**94,223,493**	**38,215,201**	**56,008,292**	**71,958,470**	**22,910,877**	**49,047,593**

	Jan. 2015 to June 2016	Jan. 2016 to June 2016	Jan. 2015 to Dec. 2015	Jan. 2014 to June 2015	Jan. 2015 to June 2015	Jan. 2014 to Dec. 2014
23.00 Selling & Distribution Expenses:						
This is made-up as follows:						
Advertisement Exp.	1,351,290	426,275	925,015	1,671,525	436,650	1,234,875
Car Maintenance	690,061	284,203	405,858	1,147,641	185,723	961,918
Carrying Charge	266,651	103,710	162,941	171,628	61,343	110,285
Director Remuneration	1,405,000	775,000	630,000	475,000	150,000	325,000
Donation	-	-	-	5,000	-	5,000
Entertainment Expenses	1,806,689	818,009	988,680	1,261,119	455,776	805,343
Export Expenses	604,407	212,378	392,029	543,001	208,290	334,711
Fuel, Petrol & Lubricant	1,036,523	476,355	560,168	708,985	256,420	452,565
Insurance Expenses	-	-	-	22,056	-	22,056
Marketing & Promotional Exp.	6,543,743	2,772,406	3,771,337	4,001,721	1,912,453	2,089,268
News Paper Bill	18,365	6,889	11,476	18,175	5,900	12,275
Other Expenses	226,017	59,540	166,477	259,041	108,656	150,385
Rent	3,815,730	1,286,805	2,528,925	2,105,700	943,200	1,162,500
Printing & Stationery Expenses	1,599,995	447,823	1,152,172	2,137,223	938,310	1,198,913
Repair & Maintenance Expenses	184,188	90,249	93,939	82,900	50,140	32,760
Salary & Allowance	18,377,223	9,640,493	8,736,730	11,545,130	3,765,260	7,779,870
Sample cost	1,033,110	380,725	652,385	815,770	305,670	510,100
Telephone & Postage Expenses	595,683	312,615	283,072	458,051	129,565	328,486
Traveling & Conveyance Expenses	1,094,905	500,328	594,577	901,186	328,776	572,410
Utility Bill	1,252,913	530,583	722,330	675,653	308,263	367,390
Total Taka:	**41,902,493**	**19,124,382**	**22,778,111**	**29,006,505**	**10,550,395**	**18,456,110**
24.00 Earning per share (EPS):						
The computation is given below:						
Surplus for the year	678,165,970	222,487,542	455,678,428	556,565,858	197,401,535	359,164,323
Number of share outstanding during the period	123,044,400	123,044,400	123,044,400	123,044,400	123,044,400	123,044,400
Earning Per Share (Restated)	**5.51**	**1.81**	**3.70**	**4.52**	**1.60**	**2.92**
Number of shares is calculated below :						
Opening balance of outstanding number of shares	123,044,400	123,044,400	123,044,400	123,044,400	123,044,400	123,044,400
Total	**123,044,400**	**123,044,400**	**123,044,400**	**123,044,400**	**123,044,400**	**123,044,400**

25.00 Capital Expenditure Commitment :

There was no material capital expenditure authorized by the Board but not contracted for at 30th June 2016.

26.00 Claim not acknowledged as Debt :

There was no claim against the company not acknowledged as debt as on 30th June 2016.

27.00 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 2016.

28.00 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 232 for the whole year.

29.00 Contingent liability :

There has been no contingent liabilities to the company except some negligible letter of credits in the ordinary course of business.

30.00 Related party Transaction :

a) Related party transaction took place for investment in share this year by Active Fine Chemicals Ltd. with AFC Health Ltd. and AFC Capital Ltd.

The name of the related party's transaction had been set out in accordance with provision of BAS- 24: Related Party details are as follows.

Name of Related Party	Nature of Transactions	Balance as on 1st January, 2015	Deposit/withdrawal during the year	Allotment/Bonus made during the year	Balance as on 30th June, 2016	No of Share	% of Share Holding 30.06.16
AFC Capital Ltd.	Investment	47,000,000	-	15,000,000	62,000,000	620,000	47.69
AFC Solvents Ltd.	Investment	50,000	-	-	50,000	5,000	12.50
AFC Agro Biotech Ltd.	Investment	60,050,000		92,774,248	152,824,248	7,596,325	12.01
AFC Agro Biology Ltd.	Investment	100,000	-	-	100,000	10,000	16.67
AFC Health Ltd.	Investment	-	-	123,774,000	123,774,000	12,377,400	17.68
AFC Health Ltd.	Share Money Deposit	151,700,000	8,100,000	(123,774,000)	36,026,000		
AFC Capital Ltd.	Share Money Deposit	32,000,000	(17,000,000)	(15,000,000)	-		

b) Further AFC Agro Biotech Ltd. is one of the supplier of Active Fine Chemicals Ltd. during this year Active Fine Chemicals Ltd. purchase product TK. 2,20,72,924.00 from AFC Agro Biotech Ltd. and paid TK. 2,78,55,974.00 against purchase after adjusting payable balance of TK. 98,43,484.00 and balance payable to AFC Agro Biotech Ltd. as on 30th June, 2016 was TK. 4,060,434.00.

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

31.00 Events after financial position date :

Date of Authorization:

(a) The Board of Directors of Active Fine Chemicals Limited authorized these Financial Statements for the year Period ended June 30th, 2016 in it's 137th Board Meeting held on 18th October 2016

(b) The Board of Directors at the 137th Board Meeting held on 18th October, 2016 recommended 30% stock dividend & 5% cash dividend. This will be considered for approval by the shareholders at the 11th Annual General Meeting (AGM).

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

Md. Zia Uddin	**S.M Saifur Rahman**	**Prodip Roy**	**Md. Mahbubur Rahman**
Chairman	Managing Director	Chief Financial Officer	Company Secretary

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ACTIVE FINE CHEMICALS LTD.

PROPERTY, PLANT AND EQUIPMENT SCHEDULE

As at 30 June 2016

Annexure-A

SL No.	Particulars	COST				Rate	DEPRECIATION			Written down value (WDV)
		Opening Balance 01.01.2015	Addition during the period	Disposal during the period	Total		Opening Balance 01.01.2015	Charged during the period	Total	
1	Land & Land Development	193,878,466	59,735,433	-	253,613,899	-	-	-	-	253,613,899
2	Building	368,652,149	196,318,574	-	564,970,723	3%	30,629,996	19,528,785	50,158,781	514,811,942
3	Plant & Machinery	619,376,466	491,420,365	-	1,110,796,831	10%	153,289,097	127,190,876	280,479,973	830,316,858
4	Furniture & Fixture	17,655,765	12,812,876	-	30,468,641	10%	5,287,839	3,705,639	8,993,478	21,475,163
5	Office Equipment	12,976,389	7,473,948	-	20,450,337	20%	8,211,608	5,046,692	13,258,300	7,192,037
6	Laboratory Equipment	281,057,280	295,178,389	-	576,235,669	20%	67,430,401	127,564,993	194,995,394	381,240,275
7	Motor vehicle	34,006,400	10,325,000	-	44,331,400	20%	9,544,510	11,036,920	20,581,430	23,749,970
8	Gas Line Installation & Other Cons.	10,227,976	-	-	10,227,976	10%	5,352,590	1,534,197	6,886,787	3,341,189
	Total 30 June 2016	**1,537,830,891**	**1,073,264,585**	**-**	**2,611,095,476**		**279,746,041**	**295,608,102**	**575,354,143**	**2,035,741,333**
	Total 30 June 2015	**1,537,830,891**	**282,171,047**	**-**	**1,820,001,938**		**279,746,041**	**79,449,361**	**359,195,402**	**1,460,806,536**
	Total 31 st Dec. 2015	**1,537,830,891**	**619,369,010**	**-**	**2,157,199,901**		**279,746,040**	**177,254,010**	**457,000,051**	**1,700,199,850**
	Total 31 st Dec. 2014	**1,077,962,869**	**459,868,022**	**-**	**1,537,830,891**		**168,383,809**	**111,362,231**	**279,746,040**	**1,258,084,851**

Allocation of depreciation charged during the period:

Head of Accounts	Proportion	Amount
Manufacturing Expenses	85%	251,266,886
Administrative Expenses	15%	44,341,215
	100%	**295,608,102**

ACTIVE FINE CHEMICALS LIMITED

Proxy Form

I/We.....
of.....
being a Member of Active Fine Chemicals Limited, hereby appoint
Mr./Mrs.....Of...
.....
as my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Thursday, 24th November, 2016 and at any adjournment thereof.

As witness my hand this .....Day of November 2016
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.

ACTIVE FINE CHEMICALS LIMITED

Attendance Slip

Name of Member / Proxy.....

Register Folio No./BO ID of Member | | | | | | | | | | | | | | | |

I/We here by record my/our presence at the 11th Annual General Meeting of Active Fine Chemicals Limited on Thursday, 24th November, 2016 at 10.30 A.M. Trust Milonayoton, 545, Old Airport Road, Dhaka Cantonment, Dhaka-1206

Signature of Proxy.....

Signature of Member.....

Note: Shareholders attending the meeting in person or by proxy are requested to deposit the attendance slip duly filled in at the entrance of the meeting hall. Seats in the auditorium are reserved only for the shareholders/proxies.

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ACTIVE FINE CHEMICALS LTD.

(Manufacturer of Bulk Drugs and Lab Reagents)

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