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AMARSTOCK

Transmittal Letter

Date: 8th November, 2018
The Valued Shareholders
Bangladesh Securities and Exchange Commission,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange Limited,

Subject: Annual Report for the year ended 30th June, 2018.

Dear Sir,

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements for the year ended 30th June, 2018 along with the Auditor's Report and Director's Report for your record.

Yours Sincerely,

Md. Mahbubur Rahman
Company Secretary

AMAR STOCK

Notice of the 13th Annual General Meeting

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of Active Fine Chemicals Limited will be held on Thursday, 13th December 2018 at 10.00 A.M at Institution of Diploma Engineers, Bangladesh, 160/A, Kakrail VIP Road, Dhaka-1000 to transact the following business:

1. To receive, consider and adopt the Directors' and Auditors' Report and Audited Financial Statements for the year ended 30th June, 2018.
2. To approve Dividend for the year ended 30th June, 2018.
3. To appoint Auditor of the Company and fixation of their remuneration for the year 2018-2019.
4. To approve Directors remuneration.
5. To approve appointment of Independent Directors.
6. To elect the Directors of the Company.
7. To approve appointment of Compliance Auditor.

Date: Dhaka
27th October, 2018

By order of the Board of Directors

Md. Mahbubur Rahman
Company Secretary

Notes:

1. The Shareholders, whose names shall appear in the Share Register of the Company or in the Depository Register on the "Record Date" i.e 15th November, 2018 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 than 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 11th December, 2018. 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.***

AMARSTOCK

Our VISION

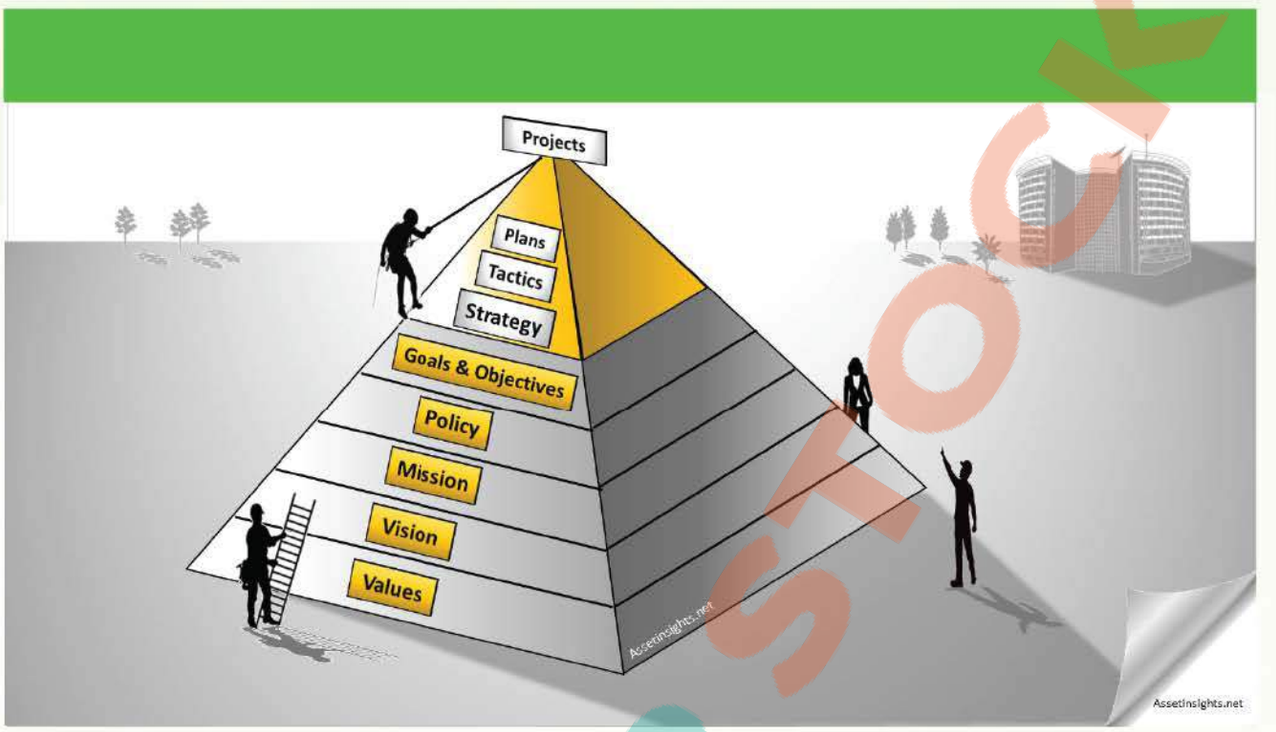


To be the leader in API and Laboratory Reagent Manufacturing Industry

Our MISSION



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



Our Objective

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

Performance at a Glance

Net turnover 2017-2018
Tk. 215.57 crore
Δ
Net turnover 2016-2017
Tk. 212.89 crore

Gross profit 2017-2018
Tk. 97.42 crore
Δ
Gross profit 2016-2017
Tk. 99.71 crore

Operating profit 2017-2018
Tk. 80.41 crore
Δ
Operating profit 2016-2017
Tk. 86.21 crore

Net profit before tax 2017-2018
Tk. 64.16 crore
Δ
Net profit before tax 2016-2017
Tk.73.75 crore

Net profit after tax 2017-2018
Tk. 82.53 crore
Δ
Net profit after tax 2016-2017
Tk. 55.38 crore



Corporate Directory

Corporate & Registered Office	Active Fine Chemicals Limited Navana Osman @ Link 214/D, Gulshan-Tejgaon Link Road, Dhaka-1208. Phone:8836830,8836843, 8836875, Fax: 088-02-8836825. Web Site: www.afchem.com
Share Office	Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka. Phone: 9531023,9550250
Factory	West Muktarpur, Munshiganj.
Memorable events	Date of Incorporation 1st December 2004 Date of Conversion into Public Ltd. 9th December 2009 Date of Commercial Production 5th October 2009 Consent for IPO from SEC 15th July 2010 Listing with Stock Exchanges(DSE & CSE) 22nd November 2010 Certificate of Good Manufacturing Practice 2011 First Export 2011 (First time Macrolides antibiotic API Export from Bangladesh) ISO 9001:2008 Certified 2012
Business Line	Manufacturer of API & Lab Reagents
Capital Structure	Authorized Capital BDT 300 Crore Paid-up Capital BDT 199.94 Crore
Last AGM Held	14th December 2017
Auditor	Khan Wahab Shafique Rahman & Co.
Legal Advisor	Haque, Ahasan & Associates, Advocate & Consultants
Bankers	One Bank Limited. Bank Asia Limited. NRB Bank Limited. Janata Bank Limited. Eastern Bank Limited. Dutch Bangla Bank Limited. Islami Bank Bangladesh Limited. Bangladesh Development Bank Limited. Premier Bank Limited. Bank Alfalah Limited. United Commercial Bank Limited. Mutual Trust Bank Limited. IPDC Finance Limited. IDLC Finance Limited. Uttara Finance Limited.



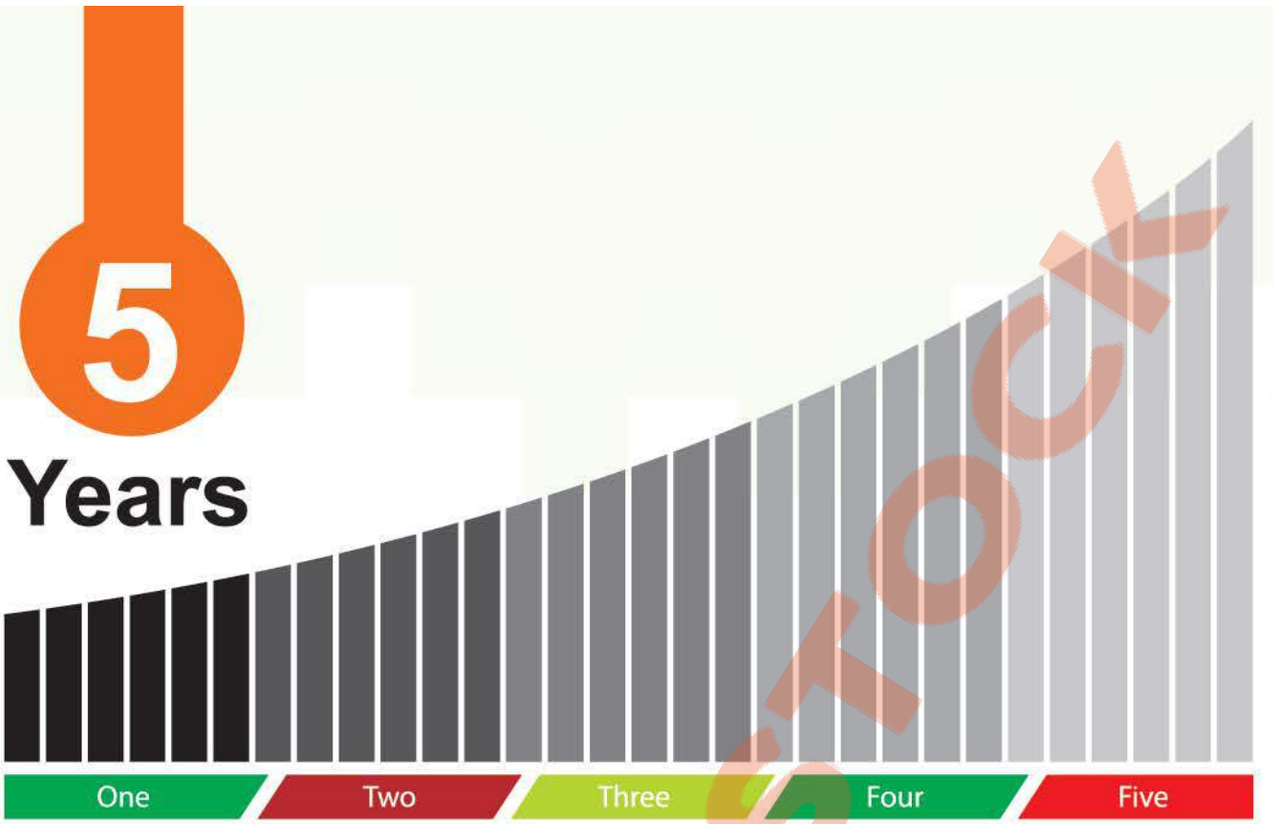
Board of Directors:	
Md. Zia Uddin	Chairman
S.M. Saifur Rahman	Managing Director
Md. Afzal	Director
Md. Sohel	Independent Director
Nazmul Anwar	Independent Director

Audit Committee:	
Md. Sohel	Chairman
Md. Afzal	Member
Nazmul Anwar	Member

Nomination and Remuneration Committee:	
Nazmul Anwar	Chairman
Md. Afzal	Member
Md. Sohel	Member

Company Secretary:
Md. Mahbubur Rahman

Management Team:	
A.B.M Jamal Uddin	Chief Operating Officer
AKM Akramuzzaman	Chief Financial Officer
Marjahan Akter	Head of Internal Audit
Prof. Dr. Md. Rabiul Islam	Executive Director of Research & Development
Dr. Md.Iqbal Hyder	Chief Advisor & Plant Operation
Md. Nurul Islam	Head of Marketing
Md. Anwarul Azim	Deputy Manager of Human Resources



FIVE YEARS FINANCIAL HIGHLIGHTS AT A GLANCE

Particulars	July, 2017 To June, 2018	July, 2016 To June, 2017	January, 2015 To June, 2016	2014	2013
Non-Current assets	3,553,613,279	2,759,877,217	2,035,741,333	1,258,084,851	909,579,060
Intangible Assets	10,307,333	13,252,285	16,197,237	20,614,666	23,559,619
Investment	266,199,000	293,366,000	378,748,311	302,900,000	172,704,257
Current Assets	2,740,572,254	2,487,006,093	2,336,143,597	1,577,429,128	634,245,832
Total Assets	**6,570,691,867**	**5,553,501,595**	**4,766,830,478**	**3,159,028,645**	**1,740,088,768**
Share Holders' Equity	4,736,723,738	3,911,361,817	3,509,159,261	2,758,596,615	1,292,912,291
Non-Current Liabilities	372,901,913	104,004,483	91,316,797	84,046,306	43,000,421
Current Liabilities	1,461,066,217	1,538,135,295	1,166,354,420	316,385,724	404,176,056
Total Share Holders' Equity & Liabilities	**6,570,691,867**	**5,553,501,595**	**4,766,830,478**	**3,159,028,645**	**1,740,088,768**
Net Turnover	2,155,719,755	2,128,932,667	2,669,383,283	1,395,039,566	1,227,110,415
Gross Profit	974,257,027	997,147,445	1,159,417,349	611,035,772	528,661,818
Net profit before WPPF	673,744,981	774,468,640	951,637,482	510,267,345	414,993,090
Net Profit before Tax	641,661,887	737,589,181	906,321,412	485,968,900	395,231,514
Net Profit after Tax	825,361,921	553,889,147	678,165,973	359,164,323	334,848,982
Earnings Per Share: (Restated):					
i. Normal Operation	3.21	3.69	5.51	2.92	2.72
ii. Considering Tax Reversal Impact as per Govt. Gazette No. 26.00.0000.100.42.008.17-54 Dated 14.05.2018.	4.13	2.77			

Introducing the Directors

Mr. Md. Zia Uddin, Chairman

Mr. Md. Zia Uddin has been the Chairman of Active Fine Chemicals Limited since 2012. Soon after graduation in Business Administration; he started his career with diversified business and took control of his family business, Hamid Industrial Corporation (Pvt.) Ltd. which has been running successfully with excellent reputation since 1970. He concurrently serves as a Chairman of Nakazia Holdings (Pvt.) Ltd., Managing Director of Faijun Industries (Pvt.) Limited, Director of AFC Agro Biotech Limited, AFC Capital Limited and Hamid Industrial Corporation (Pvt.) Ltd. as well as Proprietor of Ziauddin Metal Industries.
Mr. Zia is a prominent business magnate, investor and philanthropist within the business community. He is serving the position of Secretary General in Bangladesh API & Intermediaries Manufacturing Association (BAIMA) and as Convener in Standing Committee on Industrial Relations, Factory Compliance, Dhaka Chamber of Commerce & Industries (DCCI). He is also the Integration Chair of Entrepreneur's Organization Bangladesh, the biggest global network exclusively for entrepreneurs and is a Life Member of SAARC CCI, The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

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

Mr. S.M Saifur Rahman, Managing Director

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

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

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

*** Mr. Md. Sohel, Independent Director**

Md. Sohel is an Independent Director of Active Fine Chemicals Ltd. He obtained BBA degree, major in Accounting and minor in Management from Independent University Bangladesh (IUB). He is a very dynamic and resourceful person for the company. He is the Managing Director of M/S Sohel Enterprise, Director of Super Grip Plastic Ind (Pvt) Ltd. and also an independent Director of AFC Agro Biotech Ltd. He is the prestigious member of Rotary Club of Dhaka, Moulovi Bazar Merchant Association and Dhaka Chamber of Commerce and Industry.

*** Mr. Nazmul Anwar, Independent Director**

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



Message From The Chairman

Dear Shareholders,

I am very pleased to welcome you all to the 13th 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 year July 2017 to June 2018 for your kind consideration and approval.

In 2017-18 the Company increased its net profit after Tax to BDT 82.53 crore, up by 49.01% from the previous fiscal year 2016-17. This increase was driven by volume growth and due to successful price and cost management. As a result, Earnings per Share (EPS) has increased to BDT 4.13 in the financial year 2017-18 which is 49.10% higher than the previous fiscal year 2016-17. In consideration of that, the Board of Directors is pleased to recommend dividend for you.

The primary reason for the growth is the tax holiday that the government of Bangladesh has declared for the sector till 2033 the expiration of the TRIPS treaty on top of 20% cash incentive on export of API which was applied in July 2017. 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 2018-19 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 The Managing Director

Dear Valued Shareholders,

A new horizon has emerged in 2018 for Bangladeshi manufacturers of APIs and related products. Government of Bangladesh has approved a new set of policies to support this sectors. These set of policies will definitely make a lot of difference. For instance, 20% cash incentive for export will add a lot of fuel for growth. This will also help us to compete with the foreign competitions. The export market size is over USD 250 billion. TRIPS treaty and incentive will help us to capture a good size of this market in the coming future. For local market growth GOB has approved VAT and AIT exemption until 2022 with some condition until 2032. This will help us to compete with the foreign competitors to gain local market share.

New association has been approved by GOB for API, intermediates manufacturers called Bangladesh API and Intermediaries manufacturers association (BAIMA). I have been elected the first and founding president of BAIMA. BAIMA is working hard to get related SROs published as soon as possible to make the new policies workable.

InSha Allah, we will take advantage of the new set of policies and give good results to our valued investors in the coming future.

Truly yours,

S.M.Saifur Rahman
Managing Director

Report of the Board of Directors to the Shareholders

Dear Shareholders,

Welcome to the 13th Annual General Meeting of Active fine Chemicals Limited. The Directors are immensely pleasured to present the Annual Report together with Directors' Report and the Audited Financial Statements for the year ended 30th June, 2018 in accordance with the prevailing Rules and Regulations.

Corporate Status and Background:

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

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

Business Activities:

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

1. Active Pharmaceutical Ingredients (API):

Therapeutic Category	Products	BP/USP
Macrolides	Azithromycin Dihydrate	BP/USP
	Erythromycin Ethyl Succinate	BP/USP
	Erythromycin Stearate	BP/USP
Anti-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
	Vidagliptin	INN
	Gliclazide	BP
	Glimepiride	INN
Anti-epileptic	Pregabalin	INN
Anti-hypertensive	Losartan Potassium	BP/USP
	Amlodipine Besylate	BP
NSAID	Etoricoxib	INN
	Ketorolac Tromethamine	USP
Anti-Platelet	Ticagrelor	INN

2. Laboratory Reagents:

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

HPLC Grade solvents
Solvents
Powder reagents

Net Turnover for the year ended 30th June, 2018 is Taka 215.57 crore, a growth of 1.26% over last year's turnover of Taka 212.89 crore. Profit after tax during the period Taka 82.53 crore, a growth of 49.01 % over last year profit after tax was Taka 55.38 crore

Industry outlook and possible future development in the industry:

Active Fine Chemicals Ltd. has been established in 2004 with a vision to serve the bulk drugs market in Bangladesh. The key driving force is the opportunity to serve a fast-growing pharmaceutical local market. Now Active Fine takes pride in being a number one API Manufacturer in Bangladesh meeting local demand since its inception.

Since it is growing fast and exporting our products to Asian countries, it is time to meet the global needs AFC is working hard on capacity building to en sure relentless production for international market. In order to do that, out next focus is CEP Certification from EDQM

EDQM - European Directorate for the Quality of Medicines and Health Care.

CEP- Certificate of Suitability to the monographs of the European Pharmacopoeia.

The role of a Certificate of Suitability (CEP) is to certify the compliance of a material with the requirements laid down in the relevant monograph of the European Pharmacopoeia. Active pharmaceutical ingredients for which a Certificate of Suitability has been granted are suitable for use in medicinal products.

For this certification procedure, we have our foreign consultant beside us to execute our work plan accordingly.

Advantages of the CEP

- Increase of overall domestic sales
- Encourages joint venture investors
- Recognized by all Member States of the European Pharmacopoeia Convention (36 countries) as well as by other countries,
- Easing of the management of applications for marketing authorization (MAA) for medicinal products in these countries,
- Recognized by the following countries and institutions:
  - US (FDA),
  - Canada (HPFB),
  - Australia (TGA),
  - New Zealand,
  - Tunisia and Morocco.
- Simplifies the trading with pharmaceutical substances and ingredients.

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 year ended 30th June, 2018 is Tk. 118.14 crore against Tk. 113.17 crore for the last year. Gross Profit for the year ended 30th June, 2018 is Tk. 97.42 crore against Tk. 99.71 crore for the last year. Net Profit after tax for the year ended 30th June, 2018 is Tk. 82.53 crore against Tk. 55.38 crore for the last year.

Continuity of any Extra-Ordinary Gain or Loss:

Active Fine Chemicals Limited has no any Extra-Ordinary Gain or Loss for the year ended 30th June, 2018.

Related Party Transaction:

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

Name of Related Party	Nature of Transactions	30.06.2018	30.06.2017
AFC Capital Ltd.	Investment	62,000,000	62,000,000
AFC Solvents Ltd.	Investment	50,000	50,000
AFC Agro Biotech Ltd.	Investment	60,050,000	60,050,000
AFC Agro Biology Ltd.	Investment	100,000	100,000
AFC Health Ltd.	Investment	123,774,000	123,774,000
AFC Health Ltd.	Share Money Deposit	-	36,026,000
AFC Health Ltd.	Short Term Loan	19,725,000	-

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. 89,727,560/- from AFC Agro Biotech Ltd. and paid TK. 8,92,28,877/- against purchase after adjusting payable balance of TK.35,44,315/- and balance payable to AFC Agro Biotech Ltd. as on 30th June, 2018 was TK.40,42,998/-

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

(d) Transaction with key management personal

Key management personal compensation comprised the followings:

Director's Remuneration	3,250,000
Board meeting fees	165,000
Total	**3,415,000**

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

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 23.00 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) / International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
5) The system of Internal Control is sound in design and has been effectively implemented and monitored.
6) There are no significant doubts upon the Company's ability to continue as a going concern.
7) There are 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.
9) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
10) No bonus shares or stock dividend has been or shall be declared as interim dividend.

Acquisition of Assets:

During the year under review, the Company invested a sum of Tk. 123.87 crore for acquisition of Fixed Assets such as land, building, plant and machinery.

Investment:

This consists of as follows:

	30th June 2018	30th June 2017
Investment in Securities-Listed Company (Note-4.01)	60,550,000	70,916,000
Investment in Securities-Un Listed Company (Note-4.01)	185,924,000	186,424,000
Share money deposit with AFC Health Ltd.	-	36,026,000
Short term loan to AFC Health Ltd.	19,725,000	-
Total	**266,199,000**	**293,366,000**

Shareholding Pattern:

Shareholding patterns of the company for the year ended 30th June, 2018 is shown in Annexure-II of this report.

Minority Shareholders:

Minority shareholders interest always looked after by the Board.

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

Credit Ratings:

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

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 year 2017-2018:

Particulars	July 2017 To June 2018	July 2016 To June 2017
Net Profit Before Tax	**641,661,887**	**737,589,181**
Add: Provision for Income Tax	18,37,00,034	183,700,034
Net Profit After Tax	**825,361,921**	**553,889,147**
Add: Profit brought forward from previous year	1,216,833,393	906,129,184
Less: Dividend	399,894,300	430,655,400
Add: Revaluation Surplus Adjustment	667,603	720,919
Add: Other Comprehensive Income	554,482	186,749,543
Profit Available for Appropriation	**1,643,523,099**	**1,216,833,393**
Less: Proposed Dividend	399,894,300	399,894,300
Un-appropriated Profit Carried Forward	**1,243,628,799**	**816,939,093**

Dividend:

During the year company earned Net Profit after Tax is Tk. 82.53 crore. The earning per share (EPS) is Tk. 3.21 from Normal operation and Considering Tax Reversal Impact as per Govt. Gazette No. 26.00.0000.100.42.008.17-54 Dated 14.05.2018. . Considering the satisfaction of shareholders, the Board of Directors has recommended 20% Stock Dividend for the year ended 30th June, 2018

Interim Dividend:

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

Capital Structure:

Authorized capital of Active Fine Chemical Limited is Tk.300,00,00,000/- divided into 30,00,00,000 Ordinary shares of Tk.10.00 each. Paid up capital of the Company as on 30th June 2018 is Tk. 199, 94,71,500/- divided into 19,99,47,150 Ordinary shares of Tk.10.00 each. After considering proposed 20% stock Dividend the capital will be at Tk. 2,399,365,800/- dividend into 239,936,580 Ordinary shares of Tk.10.00 each.

Management Discussion and Analysis:

Management's discussion and analysis has been highlighted in the Chairman and Managing Director's statement and in Director's Report.

Appointment of Auditor:

The auditor M/S Khan Wahab Shafique & Co. Chartered Accountants expressed their interest to continue as auditor for the year 2018-2019. The Board recommended the proposal for appointment of M/S Khan Wahab Shafique & Co. Chartered Accountants, as the auditor of the Company for the year 2018-2019 subject to the approval of shareholders in 13th Annual General Meeting of the company.

Environmental Role:

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

Human Resources Development:

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

Appointment of Professional Firm for the certificate on compliance with the Corporate Governance Code of BSEC:

M/S Mazumdar Sikder and Associates, Cost and Management Accountants, expressed their interest to continue as auditor for the year 2018-2019. The Board recommended the proposal for appointment of M/S Mazumdar Sikder and Associates, Cost and Management Accountants, as the auditor of the Company for the year 2018-2019 subject to the approval of shareholders in 13th Annual General Meeting of the company.

Compliance with Laws and Regulations:

The company always trying to comply the provision of the applicable laws and regulations of the country.

Board Meetings & Attendance:

During the year, 19 (Nineteen) Board Meetings were held. The attendance record of the Directors is shown in Annexure-I of this report. The Board of Directors did not take attendance fees during the year ended 30th June, 2018.

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.

Thank you all

On behalf of the Board of Directors

Md. Zia Uddin
Chairman

Annexure-I
Attendance of Board Meeting

Name of Directors	Position	Meeting Held	Attendance
Md. Zia Uddin	Chairman	19	19
S.M. Saifur Rahman	Managing Director	19	18
Md. Afzal	Director	19	18
Md. Sohel	Independent Director	19	19
Razaul Helal	Independent Director	19	16 (Resign from the Board dated 19/06/2018)
Nazmul Anwar	Independent Director	19	2 (Appointed as Independent Director dated: 19/06/2018)

Annexure-II
Pattern of Shareholding

Name of Directors	Position	No. of Share upto 30-06-2018	% As on 30-06-2018
1. Parent/Subsidiary/Associate companies and other related parties.		-	-
2.Directors, CEO, CS, CFO, HIAC and their spouses and minor children:			
2.A. Directors			
Md. Zia Uddin	Chairman	58,12,560	2.91
S.M. Saifur Rahman	Managing Director	1,42,58,660	7.13
Md. Afzal	Director	39,99,270	2.00
Md. Sohel	Independent Director	-	-
Nazmul Anwar	Independent Director	-	-
2.B. CEO, CS, CFO, HIA:			
A K M Akramuzzaman	Chief Financial Officer	-	-
Md. Mahbubur Rahman	Company Secretary	4,000.	00
Marjahan Akter	Head of Internal Audit	-	-
3. Executive (Top 5 persons other CEO/CS/CFO/HIAC)			
A.B.M Jamal Uddin	Chief Operating Officer		
Md. Nurul Islam	Head of Marketing	6,650	00
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. Afzl, Director**

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

*** Mr. Nazmul Anwar, Independent Director**

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

Annexure-IV

Certificate on compliance with the condition of Corporate Governance Guide lines

MAZUMDAR SIKDER AND ASSOCIATES
Cost & Management Accountants

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

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

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

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

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

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

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

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

(d) The governance of the company is satisfactory.

For Mazumdar Sikder and Associates

Md. Salauddin Sikder FCMA
Cost & Management Accountants

Place -Dhaka.
Date- November 08 , 2018

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. BSEC/CMRRCD/2006-158/207/Admin/80: dated 3rd June, 2018.

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)	Has not an executive of the company in immediately preceding 2 financial years.	√		
1.2 (ii) d)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.2 (ii) e)	Not a member TREC holder, director or officer of any stock exchange.	√		
1.2 (ii) f)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	√		
1.2 (ii) g)	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) h)	Not be an independent director in more than 5 (five) listed companies.	√		
1.2 (ii) i)	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) j)	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.	√		One Independent Director has been appointed on 19/06/2018 and will be place before shareholders in this AGM.
1.2 (iv)	Not remain vacant for more than 90 (ninety) days.	√		
1.2 (v)	Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1	√		

1.3	Qualification of Independent Director (ID):			
1.3 (i)	Knowledge of Independent Directors.	√		
1.3 (ii)	Background of Independent Directors.	-		
1.3(ii) a)	Business leader who is or was a promoter or director of an unlisted company or any listed company or a member of any national or international chamber of commerce or business association	√		
1.3(ii) b)	Corporate leader who is or was a top level executive or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company	-		
1.3(ii) c)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th grade who has at least educational background of bachelor degree in economics or commerce or Business or law	-		
1.3(ii) d)	University teacher who has educational background in economics or commerce or Business or law	-		
1.3(ii) e)	Professional who is or was an advocate practicing in Bangladesh Supreme Court or chartered accountant or cost and management accountant or chartered financial analyst or chartered certified accountant or certified public accountant or chartered management accountant or chartered secretary or equivalent qualification	-		
1.3(iii	At least 10 years of experiences	√		
1.3 (iv)	Special cases for qualifications.			N/A
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer :	-		
1.4(i)	Different Individuals shall be filled Chairperson and CEO/ Managing Director of the Board	√		
1.4(ii)	Managing Director/CEO shall not hold the same position in another listed company.	√		
1.4(iii)	The Chairperson should be non-executive director of the company	√		
1.4(iv)	The Board shall define respective roles and responsibilities of the Chairperson and Managing Director or CEO	√		
1.4(v)	In absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded	√		
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 and IFRS in preparation of financial statements.	√		
1.5 (xv)	Soundness of internal control system.	√		
1.5 (xvi)	Statement that minority shareholders have been protected from abusive actions and have effective means of redress	√		
1.5 (xvii)	Ability to continue as a going concern.	√		
1.5 (xviii)	Significant deviations from the last year's.			N/A
1.5 (xix)	Key operating and financial data of at least preceding 5 (five) year.	√		
1.5 (xx)	Reasons for not declared dividend			N/A
1.5 (xxi)	Board's statement on the reason for not declared interim dividend	√		
1.5 (xxii)	Number of board meetings held during the year and attendance.	√		
1.5 (xxiii)	Pattern of shareholding:	-		
1.5 (xxiii) a)	Parent/Subsidiary/Associated Companies and other related parties.	√		
1.5 (xxiii) b)	Directors, CEO, CS, CFO, HIAC and their spouses and minor children.	√		
1.5 (xxiii) c)	Executives.	√		
1.5 (xxiii) d)	10% or more voting interest.	√		
1.5 (xxiv)	Appointment/Re-appointment of director:			
1.5 (xxiv)a)	Resume of the director	√		
1.5 (xxiv)b)	Expertise in specific functional areas.	√		
1.5 (xxiv)c)	Holding of directorship and membership of committees of the board other then this company.	√		
1.5(xxv)	Management's discussion and analysis signed by CEO or MD focusing on:	-		
1.5(xxv)a)	Accounting policies and estimation for preparation of financial statements	√		
1.5(xxv)b)	Changes in accounting policies and estimation and its effects	√		

1.5(xxv)c)	Comparative analysis of financial performance or results and financial position as well as cash flows for current year with preceding five years explaining reasons thereof	√		
1.5(xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1.5(xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company.	√		
1.5(xxv)g)	Future plan or projection or forecast for company's operation, performance and financial position shall be explained in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and CFO to the Board	√		
1.5(xxvii)	The report as well as certificate regarding compliance of this code as required	√		
1.6	Meetings of the Board of Directors shall comply with applicable provisions of the relevant Bangladesh Secretarial Standards as adopted by the Institution of Chartered Secretaries of Bangladesh	√		
1.7	Code of conduct for the Chairperson, other Board Members and CEO/ Managing Director :			
1.7 (i)	Code of conduct determined by Nomination and Remuneration Committee(NRC)	√		
1.7 (ii)	Code of conduct shall be posted on the website	√		
2.	**Governance of Board of Directors of Subsidiary Company :**			
2 (i)	Composition of the Board of Directors.			N/A
2 (ii)	At least 1 (one) independent director to the subsidiary company.			N/A
2 (iii)	Submission of Minutes to the holding company.			N/A
2 (iv)	Review of Minutes by the holding company.			N/A
2 (v)	Review of Financial Statement by the holding company.			N/A
3.	**Managing Director/ CEO, CFO, Head of Internal Audit and compliance (HIAC) and CS:**			
3(i) a)	Appointed by the Board	√		
3(i) b)	Different individuals appointed for only one position of MD/CEO, CFO, HIAC and CS	√		
3(i) c)	The MD/CEO, CFO, HIAC and CS of a listed company shall not hold any executive position in any other company at the same time.	√		
3(i) d)	Defined respective roles, responsibilities and duties of MD/CEO, CFO, HIAC and CS	√		
3(i) e)	They shall not remove from their position without approval of the Board as well as immediate dissemination to the commission and stock exchange(s).	√		
3(ii)	Attendance of MD, CFO, CS and HIAC at the meeting of the Board of Directors.	√		

3(iii)	Duties of MD or CEO and CFO	-		
3(iii)a)	They shall certify to the Board that they have reviewed financial statements for the year and that to the best of our knowledge and belief:	√		
3(iii)(a) i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;	√		
3(iii)(a) ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
3(iii)b)	They shall certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board of Directors or its members.	√		
3(iii)c)	Certification of MD/CEO and CFO shall be disclosed in the annual report.	√		
4.	**Board of Directors Committee**			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	**Audit Committee :**			
5 (i)	Responsibility to the Board of Directors	-		
5 (i)a)	Constitution of Audit Committee	√		
5 (i)b)	Assistance of the Audit Committee to Board of Directors.	√		
5 (i)c)	Audit Committee shall be responsible to the Board.	√		
5(ii)	Constitution of the Audit Committee:			
5(ii)a)	At least 3 (three) members.	√		
5(ii)b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors excepting Chairperson of the Board and shall include at least one independent director	√		
5(ii)c)	Qualification of Audit Committee members.	√		
5(ii)d)	Term of Service of Audit Committee members.	√		
5(ii)e)	Secretary of the Audit Committee.	√		
5(ii)f)	Quorum of the Audit Committee.	√		
5.3	**Chairman of the Audit Committee:**			
5.3 (i)	Board of Directors shall select the Chairman.	√		
5.3 (ii)	In absence of Chairperson, the remaining members may elect one of themselves as Chairperson.			No Such incident arose
5.3 (iii)	Chairman of the audit committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee			

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5.4(i)	At least four meetings in a financial year.	√		
5.4(ii)	Quorum of the Audit Committee meeting.	√		
5.5	Role of Audit Committee:			
5.5 (i)	Oversee the financial reporting process.	√		
5.5 (ii)	Monitor choice of accounting policies and Principles.	√		
5.5 (iii)	Monitor Internal Control Risk management process.	√		
5.5 (iv)	Oversee hiring and performance of external auditors.	√		
5.5 (v)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for approval or adoption.	√		
5.5 (vi)	Review the annual financial statements before submission to the board for approval.	√		
5.5 (vii)	Review the quarterly and half yearly financial statements before submission to the board for approval	√		
5.5 (viii)	Review the adequacy of internal audit function.	√		
5.5 (ix)	Review the Management's discussion and analysis	√		
5.5(x)	Review statement of significant related party transactions.	√		
5.5(xi)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
5.5(xii)	Oversee the determination of audit fees based on scope and magnitude.	√		
5.5 (xiii)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue.			N/A
5.6	Reporting of the Audit Committee:			
5.6.1	Reporting to the Board of Directors:	-		
5.6.1 (i)	Activities of Audit Committee.	√		
5.6.1 (ii) a)	Conflicts of interests.			No Such incident arose
5.6.1 (ii) b)	Material defect in the internal control system.			No Such incident arose
5.6.1 (ii) c)	Infringement of laws, rules and regulations.			No Such incident arose
5.6.1 (ii) d)	Any other matter.			No Such incident arose
5.6.2	Reporting to the Authorities.			N/A
5.7	Reporting to the Shareholders and General Investors.	√		
6.	**Nomination and Remuneration Committee (NRC)**			
6(i)	Responsibility to the Board of Directors	-		
6(i) a)	Constitution of the NRC.	√		
6(i) b)	Assistance of the NRC to the Board of Directors.	√		
6(i) c)	The Terms of Reference (ToR) of the NRC.	√		
6 (ii)	Constitution of NRC			

6 (ii) a)	At least three members	√		
6 (ii) b)	All members shall be non-executive directors	√		
6 (ii) c)	Nominated and appointed by the Board	√		
6 (ii) d)	Board shall have authority to remove and appoint	√		
6 (ii) e)	Board shall fill the vacancy within 180days	√		
6 (ii) f)	The Chairperson may appoint or co-opt any external expert and /or member(s) of staff to the committee			No Such incident arose
6 (ii) g)	Secretary of the Committee.	√		
6 (ii) h)	Quorum of the Committee.	√		
6 (ii) i)	No members shall receive any remuneration.	√		
6(iii)	Chairperson of the NRC.	-		
6(iii) a)	Board of Directors shall select the Chairman.	√		
6(iii) b)	In absence of Chairperson, the remaining members may elect one of themselves as Chairperson.	√		
6(iii) c)	Chairman of the NRC shall remain present in the AGM.	√		
6(iv)	Meeting of the NRC	-		
6(iv) a)	At least one meeting in a financial year.			To be followed
6(iv) b)	The Chairperson may convene any emergency meeting	√		
6(iv) c)	Quorum of the NRC meeting.	√		
6(iv) d)	Each meeting shall be duly recorded in the minutes and confirmed in the next meeting of NRC	√		
6(v)	Role of the NRC	-		
6(v) a)	Shall be independent and responsible to the Board and to the shareholders.	√		
6(v) b)	NRC shall oversee the following matters.	-		
6(v) b) i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board	√		
6(v) b) i) a)	The level and composition of remuneration is reasonable and sufficient	√		
6(v) b) i) b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark	√		
6(v) b) i) c)	Remuneration to directors, top level executive reflecting short and long term performance objectives appropriate to the working of the company and its goal.	√		
6(v)b)ii)	Devising a policy on Board's diversity.	√		
6(v)b)iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position	√		
6(v)b)iv)	Evaluation of performance of independent directors and the Board	√		
6(v)b)v)	Needs for employees at different level and determine selection, transfer or replacement and promotion.	√		
6(v)b)vi)	Developing, recommending and reviewing annually the company's human resources and training policy	√		
6(v)c)	Disclose the nomination and remuneration policy and evaluation criteria and activities of NRC in the annual report.	√		

7	**External/Statutory Auditors:**			
7 (i)	The issuer company shall not engage its external or statutory auditors to perform the following services	√		
7 (i) a)	Appraisal or valuation services or Fairness opinions.	√		
7 (i) b)	Financial information systems design and Implementation.	√		
7 (i) c)	Book-keeping.	√		
7 (i) d)	Broker-dealer services.	√		
7 (i) e)	Actuarial services	√		
7 (i) f)	Internal audit services.	√		
7 (i) g)	Services that the Audit Committee determines	√		
7 (i) h)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 9(1).	√		
7 (i) i)	Any other service that creates conflict of interest			No such issue arose
7 (ii)	Audit firms shall not hold any share of the company they audit.	√		
7 (iii)	Representative of external or statutory auditors shall remain present in the AGM/EGM.	√		
8.	**Maintaining a website by the company**			
8(i)	The company shall have an official website linked with the stock exchange	√		
8(ii)	The website shall keep functional from the date of listing	√		
8(iii)	Available the detailed of disclosures on website as required under the listing regulations of the concerned stock exchange (s)	√		
9.	**Reporting and Compliance of Corporate Governance:**			
9 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines.	√		
9 (ii)	Compliance auditor shall be appointed in the AGM.			will be appointed in the next AGM
9 (iii)	Annexure attached in the directors' report.	√		

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Annexure-VI
AUDIT COMMITTEE REPORT

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

The Audit Committee consists of the following members:

Name of the Directors	Designation	Position of Audit Committee
Mr. Md. Sohel	Independent Director	Chairman of Audit Committee
Mr. Md. Afzal	Director	Member
Mr. Nazmul Anwar	Independent Director	Member
Mr. Mahbubur Rahman	Company Secretary	Secretary

* Mr. Nazmul Anwar has been appointed as member of the Audit Committee at the 166th Board of Directors Meeting on 19th June, 2018.

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. Sohel
Chairman
Audit Committee

Annexure-VII
NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

The NRC Committee consists of the following members:

Name of the Directors	Designation	Position of NRC Committee
Mr. Nazmul Anwar	Independent Director	Chairman of the Committee
Mr. Md. Afzal	Director	Member
Mr. Md. Sohel	Independent Director	Member
Mr. Mahbubur Rahman	Company Secretary	Secretary

The scope of NRC was defined as under:

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

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

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

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to working of the company and its goals;

ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

iv) formulating the criteria for evaluation of performance of independent directors and the Board;

v) developing, recommending, and reviewing annually the company's human resources and training policies;

Activities carried out during the year

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

Sd/-
Nazmul Anwar
Chairman
Nomination and Remuneration Committee

27th October, 2018

The Board of Directors
Active Fine Chemicals Limited
Navana Osman@ Link,
214/D, Tejgaon- Gulshan Link Road,
Tejgaon, Dhaka-1208.

Sub: Declaration on Financial Statements for the year ended on 30th June, 2018.

Dear Sir,

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

1) The Financial Statements of Active Fine Chemicals Limited for the year ended on 30th June, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regards, we also certify that:-

i) We have reviewed financial statements for the year ended on 30th June, 2018 and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;

   b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the code of conduct for the company's Board of Directors or its members.

S.M Saifur Rahman
Managing Director

AKM Akramuzzaman
Chief Financial Officer

Auditor's Report to the Shareholders

We have audited the accompanying financial statements of "Active Fine Chemicals Limited", which comprise the statement of financial position as at June 30, 2018, and the statement of Profit or Loss and Other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), Companies Act 1994, The Securities and Exchange Rules 1987 and other rules and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 managements, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified opinion:
Provision for current income tax and deferred tax required as per Para 12 & 15 of IAS-12 as disclosed in notes no. 14.00 & 18.00 of notes to the financial statements has not been recognized based on gazette No- 26.00.0000.100.42.008.17-54 dated 14-05-2018 circulated by Commerce Ministry under the captioned "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding corporate tax holiday against which SRO from National Board of Revenue (NBR) is yet to be obtained by the management.

Qualified Opinion:
In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Active Fine Chemicals Limited as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, the Securities and Exchanges rules 1987 and other applicable laws and regulations.

Without qualifying our opinion, we draw attention to the following issues:

Emphasis Matter:
a) As Per notification **No. SEC/CMRRCD/2009-193/120/Admin** of Bangladesh Security Exchange Commission Dated December 07, 2011, "The sponsors/promoters and directors of any listed company shall hold jointly minimum **30% shares"** But the directors of the Active Fine Chemicals Ltd. hold only **12.04% shares** of the Active Fine Chemicals Ltd. which is a violation of the said notification.

We also report that:

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

(b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

(c) The statement of financial position and the statement of Profit or Loss and Other Comprehensive Income dealt with by this report are in agreement with the books of account; and

(d) The expenditure incurred and payments made was for the purposes of the company's business.

Date: October 29, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LIMITED
STATEMENT OF FINANCIAL POSITION
As at 30th June 2018

Particulars	Notes	Amount (In Taka) 30th June 2018	30th June 2017
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipments at Carrying Value	2	**3,553,613,279**	**2,759,877,217**
Intangible Assets:		**10,307,333**	**13,252,285**
Product Development Cost	3	10,307,333	13,252,285
Investment	4	**266,199,000**	**293,366,000**
Current Assets:		**2,740,572,254**	**2,487,006,093**
Inventories	5	617,295,302	578,878,576
Advances, Deposits and Prepayments	6	372,831,498	293,582,503
Accounts Receivable	7	895,070,982	835,911,748
Cash and Cash Equivalents	8	855,374,473	778,633,266
TOTAL ASSETS		**6,570,691,867**	**5,553,501,595**
SHARE HOLDERS' EQUITY & LIABILITIES:			
Shareholders' Equity :		**4,736,723,738**	**3,911,361,817**
Share Capital	9	1,999,471,500	1,599,577,200
Share Premium	10	986,850,000	986,850,000
Retained Earnings	11	1,643,523,099	1,216,833,393
Revaluation Surplus	12	106,879,139	107,546,742
Gain on Marketable Securities (Unrealized)	13		554,482
Non-Current Liabilities:		**372,901,913**	**104,004,483**
Deferred Tax Liability	14	64,699,780	102,833,863
Long Term Loan-Secured	15	308,202,133	1,170,620
Current Liabilities:		**1,461,066,217**	**1,538,135,295**
Short Term Loan	16	1,057,064,118	808,865,576
Long Term Loan-Current portion	17	41,101,448	16,122,178
Provision for Current Tax	18	241,052,045	539,876,294
Liabilities for Expense & Services	19	33,833,022	89,589,020
Liabilities for Other Finance	20	88,015,583	83,682,227
TOTAL SHARE HOLDERS' EQUITY AND LIABILITIES		**6,570,691,867**	**5,553,501,595**
Net Assets Value (NAV) per share		**23.69**	**24.45**

The annexed notes form an integral part of these financial statements.

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

Subject to our separate report of even date

Date: October 29, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30th June 2018

Particulars	Notes	Amount (In Taka)	
		July 2017 To June 2018	July 2016 To June 2017
Net Turnover	21	2,155,719,755	2,128,932,667
Cost of Goods Sold	22	(1,181,462,728)	(1,131,785,222
Gross Profit		**974,257,027**	**997,147,445**
Operating Expenses		**(170,091,353)**	**(134,971,893)**
Administrative Expenses	23	(121,058,085)	(92,124,209)
Selling & Distribution Expenses	24	(49,033,268)	(42,847,684)
Profit from Operation		**804,165,673**	**862,175,552**
Finance Cost	25	(137,683,569)	(96,277,777)
Other Income	26	7,262,877	8,570,865
Net Profit before WPPF		**673,744,981**	**774,468,640**
Allocation for WPPF		(32,083,094)	(36,879,459)
Net Profit Before Tax		**641,661,887**	**737,589,181**
Income Tax Expenses Reverse	27	**183,700,034**	**(183,700,034)**
Provision for Current Tax (Reverse)		145,565,951	(145,565,951
Provision for Deferred Tax (Reverse)		38,134,083	(38,134,083)
Net Profit After Tax (Transferred to Statement of Changes in Equity)		**825,361,921**	**553,889,147**
Other Comprehensive Income:			
Gain/(loss) on Marketable Securities (Unrealized)			2,609,857
Total Comprehensive Income		**825,361,921**	**556,499,004**
Earnings per Share (Restated)			
i. Normal Operation :	28.01	**3.21**	**3.69**
ii. Considering Tax Reversal Impact as per Govt. Gazette No. 26.00.0000.100.42.008.17-54 Dated 14.05.2018.	28.02	**4.13**	**2.77**

The annexed notes form an integral part of these financial statements.

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

Subject to our separate report of even date

Date: October 29, 2018

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY
As at 30th June 2018

Particulars	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Revaluation Surplus	Gain/(Loss) on Marketable Securities (Unrealized)	Total Taka
Balance 1st July 2017	1,599,577,200	986,850,000	1,216,833,393	-	107,546,742	554,482	**3,911,361,817**
Stock Dividend	399,894,300		(399,894,300)				
Revaluation Surplus Adjustment			667,603	-	(667,603)		-
Net Profit after Tax	-		825,361,921	-	-		**825,361,921**
Other Comprehensive Income			554,482			(554,482)	
Balance 30th June 2018	**1,999,471,500**	**986,850,000**	**1,643,523,099**	**-**	**106,879,139**	**-**	**4,736,723,738**

Statement of Changes in Equity

As at 30th June 2017

Particulars	Share Capital	Share Premium	Retained Earnings	Tax Holiday Reserve	Revaluation Surplus	Gain/(Loss) on Marketable Securities (Unrealized)	Total Taka
Balance 1st July 2016	1,230,444,000	986,850,000	906,129,184	186,749,543	108,267,661	90,718,873	**3,509,159,261**
Previous year adjustment						(92,774,248)	**(92,774,248)**
Cash Dividend			(61,522,200)				**(61,522,200)**
Stock Dividend	369,133,200		(369,133,200)				
Revaluation Surplus Adjustment			720,919	-	(720,919)		-
Transfer of Tax Holiday Reserve			186,749,543	(186,749,543)			
Net Profit after Tax	-		553,889,147	-	-		**553,889,147**
Other Comprehensive Income						2,609,857	**2,609,857**
Balance 30th June 2017	**1,599,577,200**	**986,850,000**	**1,216,833,393**	**-**	**107,546,742**	**554,482**	**3,911,361,817**

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

ACTIVE FINE CHEMICALS LIMITED
STATEMENT OF CASH FLOWS
For the year ended 30th June 2018

Particulars	Amount (In Taka)	
	July 2017 To June 2018	July 2016 To June 2017
A. Cash Flows from Operating Activities:		
Collection from Sales	2,096,560,521	2,063,805,976
Payment to Suppliers	(899,550,278)	(979,028,754)
Payment for Expenses	(389,161,975)	(180,737,017)
Payment for Advance, Deposit & Prepayment	(79,248,995)	(19,326,695)
Payment of WPPF	(25,995,000)	(7,906,460)
Other Income	7,262,877	8,570,865
Net Cash Generated from Operating Activities	**709,867,150**	**885,377,915**
B. Cash Flows from Investing Activities:		
Investment during the year	27,167,000	(4,782,082)
Purchase of Fixed Assets	(1,238,747,530)	(1,042,417,580)
Net Cash used in Investing Activities	**(1,211,580,530)**	**(1,047,199,662**
C. Cash Flows from Financing Activities:		
Increase/(Decrease) in Short Term Loan	248,198,542	237,047,696
Increase/(Decrease) in Long Term Loan	332,010,783	(12,874,828)
Devidend Paid	(1,754,739)	(51,129,188
Net Cash Generated/(Used) from Financing Activities	**578,454,586**	**173,043,680**
Net Cash Inflow/(Outflow) from Total Activities (A+B+C)	**76,741,207**	**11,221,934**
Opening Cash & Cash Equivalents	**778,633,266**	**767,411,332**
Cash and Cash Equivalents at the End	**855,374,473**	**778,633,266**
Net Operating Cash Flows Per Share	**3.55**	**5.54**

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

ACTIVE FINE CHEMICALS LTD.
Notes to the financial statements
As at and for the year ended 30 June 2018.

1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

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

1.02 Registered Office and Factory:

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

1.03 Nature of Business Operations:

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

1.04 Commercial Production:

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

1.05 Components of Financial Statements:

1. Statement of Financial Position as at June 30, 2018
2. Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018.
3. Statement of Cash flows for the year ended June 30, 2018
4. Statement of Changes in Equity as at June 30, 2018
5. Notes, Comprising a Summary of Significant Accounting Policies and other Explanatory notes.

1.06 Application of International Accounting Standards (IAS):

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

IAS – 1 Presentation of Financial Statements
IAS – 2 Inventories
IAS – 7 Statements of Cash Flows
IAS – 8 Accounting Policies, Changes in Accounting Estimates and Errors
IAS – 12 Income Taxes
IAS – 16 Properties, Plant and Equipment
IAS – 18 Revenue
IAS – 19 Employee Benefits
IAS – 21 The effects of Changes in Foreign Exchange Rate
IAS – 23 Borrowing Costs
IAS – 24 Related Party Disclosures
IAS – 33 Earnings per Share
IAS – 37 Provisions, Contingent Liabilities and Contingent Assets
IAS – 38 Intangible 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 followings International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) the Companies Act 1994, the Securities & Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other applicable laws and regulation.

ii. Basis of measurement:

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

iii. Functional and presentational currency and level of precision:

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

iv. Use of estimates and judgments:

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

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

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

v. Reporting Period:

The financial year of the company cover one year from 01 July 2017 to 30 June 2018 and the amounts presented in the financial statements are not entirely comparable.

vi. Comparative Information:

Comparative information has been disclosed in respect of the previous year/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 these financial statements is in accordance with the guidelines provided by IAS-1- Presentation of Financial Statements.

viii. Regulatory Compliances:

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

The Income Tax Ordinance 1984
The Income Tax Rules 1984
The Value Added Tax Act 1991
The Value Added Tax Rules 1991

AMARSTOCK

1.08 Significant Accounting Policies:

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

i. Inventories:

Inventories are valued at the lower of cost or net realizable value as prescribed by **IAS- 2 Inventories**. The cost includes expenditure incurred for acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufacturing inventories and work-in-progress cost 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.

At the end of the year physical verification of inventories was carried out by the company management and a certificate has been furnished to the auditors for their satisfaction. Item wise valuation is as follows:

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

ii. Statement of Cash Flows:

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

iii. Income Tax:

According to Government gazette no-26.00.0000.100.42.008.17-54 dated 14-05-2018 no provision is required for income tax of the company's profit as the company has allowed 100% corporate tax holiday from all such taxes with effective from financial year 2016-2017 to 2031-2032 and last year's provision has been reversed in the statement of profit or Loss and other comprehensive income following IAS-8.
Further, The Company's assessment for the years 2013-14, 2014-15, 2015-16 was completed by DCT. Against those assessments the company filed appeals/ writ petitions to different level of tax authorities on various disputed issues. However, at last the company placed the matters to ADR and ultimately ADR settled the issues which now is under process of re-assessment with DCT.

Deferred Tax:
No deferred tax has been charged during the year and last year provision for differed tax has been adjusted as per Government gadget no- 26.00.0000.100.42.008.17-54 dated 14-05-2018.

iv. Property, Plant and Equipments:

Recognition and Measurement:

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

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. Depreciation is charged on additions made during the year from the date in which those assets are available for use according to IAS 16 Para 55. No depreciation is charged on land and land development. The 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 is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of the property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

v. **Impairment of Assets:**

Financial Asset:

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

Non financial Assets:

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

vi. **Financial risk management :**

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

vii. **Product Development Cost:**

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

viii. **Investment in Shares:**

As per requirements of International Accounting Standards IAS-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 profit, loss & others Comprehensive Income. Active Fine Chemical Limited recognizes its investment in shares as per IAS-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 **IAS-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. The company regularly distributes 2/3 of 80% WPPF to its employees and balance the percentage is under process of utilisation as per provision of law.

xi. Foreign Currency Transactions:

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

xii. Borrowing Cost/Finance Cost:

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

xiii. Related Party Transaction:

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

a) Short-term employee benefits:

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

b) Post-employment benefits:

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

c) Other long-term benefits:

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

d) Termination benefits:

Active Fine Chemicals Ltd. has no termination benefits.

e) Share-based payments:

Active Fine Chemicals Ltd. has no share –based payment.

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

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

Name of Related Party	Nature of Transactions	30.06.2018	30.06.2017
AFC Capital Ltd.	Investment	62,000,000	62,000,000
AFC Solvents Ltd.	Investment	50,000	50,000
AFC Agro Biotech Ltd.	Investment	60,050,000	60,050,000
AFC Agro Biology Ltd.	Investment	100,000	100,000
AFC Health Ltd.	Investment	123,774,000	123,774,000
AFC Health Ltd.	Share Money Deposit	-	36,026,000
AFC Health Ltd.	Short Term Loan	19,725,000	-

b) Further AFC Agro Biotech Ltd. is one of the raw materials suppliers of Active Fine Chemicals Ltd. during this year Active Fine Chemicals Ltd. purchase product TK. 89,727,560 from AFC Agro Biotech Ltd. and paid TK. 8,92,28,877 against purchase after adjusting payable balance of TK. 35,44,315 and balance payable to AFC Agro Biotech Ltd. as on 30th June, 2018 was TK. 40,42,998

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

xiv. Earning per Share (EPS):

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

Basic earnings per share:

"Earnings per share" 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 statement of profit or loss and other comprehensive income.

xvii. Cash and Cash equivalents:

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

xviii. Contingencies:

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

xix. Accounts Receivables:

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

xx. Segment Reporting:

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

xxi. General:

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

		Amount (In Taka)	
		30th June 2018	30th June 2017
2.00	**Property, Plant & Equipment :**		
	Opening balance	3,653,513,056	2,611,095,476
	Add: Addition during the year	1,238,747,530	1,042,417,580
		4,892,260,586	**3,653,513,056**
	Less: Accumulated Depreciation	1,338,647,307	893,635,839
	Carrying Value	**3,553,613,279**	**2,759,877,217**
	Details have been shown in **Annexure-A**.		
3.00	**Product Development Cost:**		
	This consists of as follows:		
	Opening Balance	13,252,285	16,197,237
	Add: Addition During the year	-	-
		13,252,285	**16,197,237**
	Less: Written off @ 10%	2,944,952	2,944,952
	Total	**10,307,333**	**13,252,285**

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

4.00	**Investment In Shares :**	
This consists of as follows:		
Investment in Securities-Listed Company (Note-4.01)	60,550,000	70,916,000
Investment in Securities-Un Listed Company (Note-4.01)	185,924,000	186,424,000
Share money deposit with AFC Health Ltd.	-	36,026,000
Short term loan to AFC Health Ltd.	19,725,000	-
Total	**266,199,000**	**293,366,000**

4.01 Details of marketable securities are given below:

Name of Company	No. of Shares	30.06.2018			% of Share Holding	30.06.2017		
		Cost Value	Market Value	Unrealized gain / loss		Cost Value	Market Value	Unrealized gain / loss
Listed Company:								
UCBL	260,000	-	-	-	-	5,271,428	5,616,000	344,572
One Bank Ltd.	250,000	-	-	-	-	5,040,091	5,250,000	209,909
AFC Agro Biotech Ltd.(Bonus Share)	3,110,590	-	-	-	4.10	-	-	92,774,248
Less. Bonus Share Valuation Adjusted		-	-	-	-	-	-	(92,774,248)
Advent Pharma Ltd.	50,000	500,000	-	-	-	-	-	-
AFC Agro Biotech Ltd.	6,005,000	60,050,000	60,050,000	-	7.91	60,050,000	60,050,000	-
Sub Total	**9,675,590**	**60,550,000**	**60,050,000**	**-**		**70,361,519**	**70,916,000**	**554,482**

Shares of AFC Agro Biotech Ltd. & Advent Pharma Ltd. has been shown at cost price and value of Bonus share is not accounted for since all of Share has been locked in and was not saleable as on 30 June 2018.

Gain/(Loss) on Marketable Securities (Unrealized):

Unrealized Gain/(Loss) Position (Closing)	-
Unrealized Gain/(Loss) Position (Opening)	554,482
Transfer to Retained Earnings on Realization	(554,482)
Gain/(Loss) on Marketable Securities During the period	-

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

Name of Company	30.06.2018			% of Share Holding	30.06.2017		
	No. of Shares	Cost Value	Unrealized gain / loss		No. of Shares	Cost Value	Unrealized gain / loss
Un-Listed Company:							
Subscription for Shares:							
Advent Pharma Ltd.			-		50,000	500,000	
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**	**186,424,000**	**-**

		Amount (In Taka)	
5.00	**Inventories:**	**30th June 2018**	**30th June 2017**
	The break-up is as follows:		
	Raw Materials	349,945,632	324,567,875
	Packing Materials	29,867,453	22,956,780
	Work in process	78,245,672	76,789,574
	Finished goods	159,236,545	154,564,347
	Total	**617,295,302**	**578,878,576**

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)	44,462,464	32,459,416
	Advance Income Tax at Import Stage	(Note 6.02)	72,197,459	54,703,681
	Advance VAT	(Note 6.03)	71,405,324	41,921,730
	Advance against Constraction		16,262,870	14,755,450
	Advances to Staff		4,552,735	1,679,574
	Advance for Rent and others		5,583,700	6,563,900
	Advance to C & F agents and others		1,874,000	3,636,688
	Sub Total		**216,338,552**	**155,720,439**
	Deposits:			
	Security Money		3,675,496	3,515,496
	L.C Margin		64,201,557	5,300,659
	Sub Total		**67,877,053**	**8,816,155**
	Prepayments :			
	Prepayment to Parties		88,615,893	129,045,909
	Sub Total		**88,615,893**	**129,045,909**
	Total		**372,831,498**	**293,582,503**

a) This is considered good.

b) Employees advances of Tk. 45,52,735 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.

6.01 Tax Deduct at Sources:

The break-up is as follows:		
Opening balance	32,459,416	21,671,062
Add: Deducted during the year	12,003,048	10,788,354
	44,462,464	**32,459,416**
Less: Adjust during the year	-	-
Total	**44,462,464**	**32,459,416**

6.02 Advance Income Tax at Import Stage:

The break-up is as follows:		
Opening balance	54,703,681	39,045,952
Add: Paid during the year	17,493,778	15,657,729
	72,197,459	**54,703,681**
Less: Adjust during the year	-	-
Total	**72,197,459**	**54,703,681**

		Amount (In Taka)	
		30th June 2018	30th June 2017
6.03	**Advance VAT:**		
	The break-up is as follows:		
	Opening balance	41,921,730	31,619,066
	Add: Paid during the year	68,790,762	61,386,341
		110,712,492	**93,005,407**
	Less: Adjust during the year	39,307,168	51,083,677
	Total	**71,405,324**	**41,921,730**
7.00	**Accounts Receivable:**	**895,070,982**	**835,911,748**

Receivables Movement During the year:

Opening	Sales	Collection	Closing	Closing
835,911,748	2,155,719,755	2,096,560,521	895,070,982	835,911,748

This is unsecured, considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

Aging of Accounts Receivables:		
More than six months	266,188,545	271,556,577
Less than six months	628,882,437	564,355,171
	895,070,982	**835,911,748**

I. Accounts Receivable considered good in respect of which the company is fully secured	-	-
II. Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security	895,070,982	835,911,748
III. Accounts Receivable considered doubtfull or bad	-	-
IV. Accounts Receivable due by any director or other officer of the company	-	-
V. Accounts Receivable due by Common Management	-	-
VI. The maximum amount of receivable due by any director or other officer of the company	-	-
Total	**895,070,982**	**835,911,748**

(i) The company did not make a provision against accounts receivable as accounts receivable are good and the amount is not a material item.

(ii) There was no amount due by the director (including Managing Director), Managing Agent of the company and any of them severally or jointly with any other person.

(iii) There was also no other amount due by associate undertakings.

8.00	**Cash & Cash Equivalents:**		
	Cash in Hand	1,053,611	1,499,619
	Cash at Bank:	854,320,862	777,133,647
	Current Accounts	172,638,097	23,812,537
	SND Accounts	681,682,765	753,321,110
		855,374,473	**778,633,266**

		Amount (In Taka)	
9.00	**Share Capital:**	**30th June 2018**	**30th June 2017**
	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
	Issued and Paid-up Capital:		
	A) By Cash:		
	4,00,00,000 Ordinary Shares of Tk. 10 each	400,000,000	400,000,000
	1,97,37,000 Ordinary Shares of Tk. 10 each	197,370,000	197,370,000
	(New Capital Raise Vide BSEC Letter No.SEC/ci/cplc(pvt.) -201/09/559 Dt. August,12 2014)		
	B) By Issue of Bonus Share:		
	60,00,000 Ordinary Shares of Tk. 10 each (2010 Stock 15%)	60,000,000	60,000,000
	92,00,000 Ordinary Shares of Tk. 10 each (2011 Stock 20%)	92,000,000	92,000,000
	1,38,00,000 Ordinary Shares of Tk. 10 each (2012 Stock 25%)	138,000,000	138,000,000
	1,38,00,000 Ordinary Shares of Tk. 10 each (2013 Stock 20%)	138,000,000	138,000,000
	2,05,07,400 Ordinary Shares of Tk. 10 each (2014 Stock 20%)	205,074,000	205,074,000
	3,69,13,320 Ordinary Shares of Tk. 10 each (2015-16 Stock 30%)	369,133,200	369,133,200
	3,99,89,430 Ordinary Shares of Tk. 10 each (2016-17 Stock 25%)	399,894,300	-
	Total	**1,999,471,500**	**1,599,577,200**

Shareholding Position as on 30th June are as follows :

	Number of Shares	Number of Shares
Directors / Sponsors	24,070,490	19,221,592
Institutions	67,382,190	50,258,716
General Shareholders	108,494,470	90,477,412
Total	**199,947,150**	**159,957,720**

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

Shareholdings	No. of Share holder	Numbers of Share	% of Total Shareholding
Less than 500 shares	3,654	832,384	0.42
501 to 5000 shares	8,520	16,609,699	8.31
5,001 to 10,000 shares	1,281	9,420,896	4.71
10,001 to 20,000 shares	835	11,719,185	5.86
20,001 to 30,000 shares	266	6,613,710	3.31
30,001 to 40,000 shares	143	5,009,821	2.51
40,001 to 50,000 shares	87	4,031,431	2.02
50,001 to 1,00,000 shares	154	10,683,593	5.34
1,00,001 to 10,00,000 shares	177	48,835,167	24.41
Over 10,00,000 shares	25	86,191,264	43.11
	15,142	**199,947,150**	**100.00**

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

	Amount (In Taka)	
	30th June 2018	30th June 2017

11.00 Retained Earnings:

This is made-up as follows:		
Opening Balance	1,216,833,393	906,129,184
Cash Dividend		(61,522,200)
Stock Dividend	(399,894,300)	(369,133,200)
Revaluation Surplus Adjustment	667,603	720,919
Net Profit after Tax	825,361,921	553,889,147
Other Comprehensive Income	554,482	-
Transfer from Tax Holiday reserve	-	186,749,543
Total	**1,643,523,099**	**1,216,833,393**

12.00 Revaluation Surplus:

This is made-up as follows:		
Opening Balance	107,546,742	108,267,661
Add: Addition during the year	-	-
	107,546,742	108,267,661
Less: Adjustment during the year **(Note 12.01)**	667,603	720,919
Total	**106,879,139**	**107,546,742**

12.01 Adjustment During the Period:

Details are presented below:

Particulars	Revaluation Surplus	Depreciation Adjustment	Revaluation Surplus 31/03/2018
Land & Land Development	94,800,000	-	94,800,000
Building	8,672,448	260,173	8,412,275
Plant & Machinery	287,776	28,778	258,998
Gas Line Installation & Other Cons.	3,786,518	378,652	3,407,866
Total	**107,546,742**	**667,603**	**106,879,139**

13.00 Gain on Marketable Securities (Unrealized):

This is made-up as follows:		
Opening Balance	554,482	90,718,873
Add: Provision during the year	-	2,609,857
	554,482	**93,328,730**
Less: Adjustment during the year	(554,482)	(92,774,248)
Total	**-**	**554,482**

14.00 Deferred Tax Liability:

	Amount (In Taka)	
	30th June 2018	30th June 2017
This is made-up as follows:		
Opening Balance	102,833,863	64,699,780
Add: Provision made	-	38,134,083
	102,833,863	102,833,863
Less: Adjustment during the period	38,134,083	-
Total	**64,699,780**	**102,833,863**

The company has got corporate tax holiday for the periods from 2016-17 to 2031-32 vide gazette no. 26.00.0000.100.42.008.17-54 dated 14.05.2018 circulated by Commerce Ministry under the captioned "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding corporate tax holiday against which SRO from National Board of Revenue (NBR) is yet to be obtained. Therefore, no required defered tax has been accounted for as needed as per Para-15 of IAS-12. Moreover, provision for defered tax of financial year 2016-17 has been reversed in current year in line with IAS-8.

15.00 Long Term Loan:

This is made-up as follows:		
Loan from Bank:		
City Bank Ltd.	308,202,133	-
Bangladesh Development Bank Ltd.	-	1,170,620
Total	**308,202,133**	**1,170,620**

16.00 Short term Loans:

This consists of as follows:		
Loan from Bank:		
Janata Bank Ltd.	-	361,488,253
City Bank Ltd.	242,873,200	-
Brac Bank Ltd.	154,229,917	152,877,418
NRB Bank Ltd.	466,507,000	284,687,983
Dhaka Bank Ltd.	81,393,281	-
Lanka Bangla Finance Ltd.	50,219,354	-
IPDC Finnace Ltd.	1,948,857	2,370,210
IDLC Finnace Ltd.	57,339,987	7,441,712
Uttara Finance Ltd.	2,552,522	-
Total	**1,057,064,118**	**808,865,576**

17.00 Long Term Loan-Current Portion:

This represents current portion of long term loans from financial institutions which are repayable within next 12 months from July 2018 and consists of the followings :

Loan from Bank:		
City Bank Ltd.	41,101,448	-
Bangladesh Development Bank Ltd.	-	16,122,178
Total	**41,101,448**	**16,122,178**

	Amount (In Taka)	
	30th June 2018	30th June 2017

18.00 Provision for Current Tax:

The break-up is as follows:		
Opening balance	539,876,294	394,310,342
Addition during the period	(145,565,951)	145,565,952
	394,310,343	**539,876,294**
Less: Payment during the period	153,258,298	-
Total	**241,052,045**	**539,876,294**

The company has got corporate tax holiday for the periods from 2016-17 to 2031-32 vide gazette no. 26.00.0000.100.42.008.17-54 dated 14.05.2018 circulated by Commerce Ministry under the captioned "National Active Pharmaceutical Ingredients (API) & Laboratory Reagents Production and Export Policy" regarding corporate tax holiday against which SRO from National Board of Revenue (NBR) is yet to be obtained. Therefore, no required current tax has been accounted for as needed as per Para-12 of IAS-12. Moreover, provision for current tax of financial year 2016-17 has been reversed in current year in line with IAS-8.

19.00 Liabilities for Expenses & Services:

The break-up is as follows:		
Salary & Remuneration	7,823,462	5,781,309
Utility Bill	1,407,855	1,525,435
Audit Fees	750,000	350,000
AGM Expenses	850,000	1,000,000
	10,831,317	**8,656,744**
Add: Accounts Payable & L C Payable	23,001,705	80,932,276
Total	**33,833,022**	**89,589,020**

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

20.00 Liabilities for Other Finance:

This is made-up as follows:			
Contribution to WPPF	(Note:20.01)	67,959,304	61,871,210
Dividend payable	(Note:20.02)	20,056,279	21,811,017
Total		**88,015,583**	**83,682,227**

20.01 Contribution to WPPF:

The break-up is as follows:		
Opening balance	61,871,210	32,898,211
Add: Addition during the period	32,083,094	36,879,459
	93,954,304	**69,777,670**
Less: Payment during the period	25,995,000	7,906,460
Total	**67,959,304**	**61,871,210**

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

		Amount (In Taka)	
		30th June 2018	30th June 2017
20.02	**Dividend Payable:**		
	The break-up is as follows:		
	Opening balance	21,811,017	11,418,004
	Add: Addition during the period	-	61,522,200
		21,811,017	72,940,204
	Less: Payment during the period	1,754,738	51,129,187
	Total	**20,056,279**	**21,811,017**
21.00	**Net Turnover:**		
	This is made-up as follows:		
	Local Sales	2,082,623,427	2,114,823,734
	Export	73,096,328	14,108,933
	Total	**2,155,719,755**	**2,128,932,667**
22.00	**Cost of Goods Sold:**		
	This is arrived as follows:		
	Opening W I P	76,789,574	55,679,350
	Raw Material consumed **(Note:22.01)**	650,158,974	754,831,760
	Packing Material consumed **(Note:22.02)**	61,091,410	61,268,379
	Less: Closing W I P	78,245,672	76,789,574
	Total Consumed	**709,794,286**	**794,989,915**
	Add: Factory Overhead **(Note:22.03)**	477,843,654	369,461,219
	Cost of Production	**1,187,637,940**	**1,164,451,134**
	Add: Opening Finished Goods	154,564,347	123,456,780
	Finished Goods Available	**1,342,202,287**	**1,287,907,914**
	Less: Closing Finished Goods	159,236,545	154,564,347
	Less: Stock Damage	467,342	423,765
	Less: Cost of Sample	1,035,672	1,134,580
	Cost of Goods Sold	**1,181,462,728**	**1,131,785,222**
22.01	**Raw Material Consumed:**		
	The break-up is as follows:		
	Opening Raw Materials	324,567,875	314,567,820
	Add: Purchase Raw Materials	675,536,731	764,831,815
	Less: Closing Raw Materials	349,945,632	324,567,875
	Total	**650,158,974**	**754,831,760**
22.02	**Packing Material Consumed:**		
	The break-up is as follows:		
	Opening Packing Materials	22,956,780	29,987,450
	Add: Purchase Packing Materials	68,002,083	54,237,709
	Less: Closing Packing Materials	29,867,453	22,956,780
	Total	**61,091,410**	**61,268,379**

	Amount (In Taka)	
	30th June 2018	30th June 2017

22.03 Factory Overhead:

This consists of as follows:		
Car Maintenance	655,616	605,197
Carrying Exp.	705,960	547,870
Depreciation	378,259,747	270,539,442
Donation	26,500	156,290
Entertainment Expenses	2,897,674	2,714,932
Fuel, Patrol & Lubricant	1,176,909	836,427
Rent	2,788,500	2,762,709
Insurance Premium	4,107,494	4,305,472
Lab Materials	599,800	773,490
Medical Exp	80,312	18,908
Municipal Tax	327,190	237,013
Other Expenses	639,325	618,648
Printing & Stationery Expenses	1,557,038	1,862,895
Repair & Maintenance Expenses	3,810,099	2,978,241
Research & Development Exp.	16,259,186	21,715,589
Salary & Allowance	48,027,350	42,807,763
Stock Damage	467,342	423,765
Training Fees	106,000	3,000
Telephone & Postage Exp.	244,800	285,951
Traveling & Conveyance Expenses	797,119	813,029
Uniform Purchase	65,000	186,744
Utility Bill	14,244,693	14,267,844
Total	**477,843,654**	**369,461,219**

23.00 Administrative Expenses:

This consists of as follows:		
Audit Fees	750,000	350,000
Bank Charge & CDBL Fee	2,499,079	1,192,265
Books & periodicals	88,113	74,575
Car Maintenance	1,494,619	403,159
Depreciation	66,751,720	47,742,254
Director Remuneration & Fee	1,707,500	1,612,500
Donation	1,202,400	160,000
AGM Expenses	850,000	1,000,000
Entertainment Expenses	2,271,673	1,886,892
Fuel, Patrol & Lubricant	1,378,417	1,265,619
Legal Expenses	14,950	307,610
Medical Exp.	2,518	-
News Paper Bill	27,095	24,794
Rent	4,361,332	4,184,686
Other Expenses	101,536	173,568
Printing & Stationery Expenses	1,096,512	1,330,516
Product Development Cost (Written off)	2,944,952	2,944,952
Repair & Maintenance Expenses	231,034	243,460
Registration & Renewal	557,044	1,386,747
Regulatory Fees	3,434,514	2,862,956
Salary & Allowance	24,384,503	19,266,293

	Amount (In Taka)	
	30th June 2018	30th June 2017
Telephone & Postage Expenses	563,666	503,900
Travelling & Conveyance Expenses	2,841,341	1,758,097
Training Fees	54,500	114,286
Web Development	49,099	31,995
Utility Bill	1,399,968	1,303,085
Total	**121,058,085**	**92,124,209**

24.00 Selling & Distribution Expenses:

This is made-up as follows:

Advertisiment Exp.	572,815	1,189,140
Car Maintenance	395,103	790,843
Carrying Charge	261,824	146,145
Director Remuneration & Fee	1,707,500	1,612,500
Entertainment Expenses	1,868,352	1,718,885
Export Expenses	7,850,419	1,271,403
Fuel, Patrol & Lubricant	797,391	855,655
Marketing & Promotional Exp.	7,037,311	8,646,469
News Paper Bill	25,785	20,682
Other Expenses	165,674	149,137
Rent	2,646,040	2,441,120
Printing & Stationery Expenses	805,153	1,060,670
Repair & Maintenance Expenses	20,320	11,150
Salary & Allowance	20,997,807	18,281,937
Sample cost	1,035,672	1,134,580
Telephone & Postage Expenses	562,125	553,009
Travelling & Conveyance Expenses	1,191,565	1,788,602
Utility Bill	1,092,412	1,175,757
Total	**49,033,268**	**42,847,684**

25.00 Finance Cost:

This is made-up as follows:

Janata Bank Ltd.	31,880,909	40,160,752
City Bank Ltd.	20,709,749	-
Brac Bank Ltd.	16,427,540	7,727,459
Bangladesh Development Bank Ltd.	1,240,816	2,705,193
NRB Bank Ltd.	50,390,068	42,780,461
Dhaka Bank Ltd.	7,253,112	-
Lanka Bangla Finance Ltd.	4,076,694	-
IPDC Finnace Ltd.	268,679	175,062
IDLC Finnace Ltd.	5,263,637	2,728,850
Uttara Finance Ltd.	172,365	-
Total	**137,683,569**	**96,277,777**

		Amount (In Taka)	
26.00 Other Income:		**30th June 2018**	**30th June 2017**
This is made-up as follows:			
Sale of Scrap		922,412	506,855
From Bank Interest		4,531,002	6,073,935
Realised gain on Sale of Share		1,809,463	1,990,075
		7,262,877	**8,570,865**
27.00 Income Tax Expenses Reverse:			
This is made-up as follows:			
Provision for Current Tax (Reverse)		145,565,951	(145,565,951)
Provision for Deferred Tax (Reverse)		38,134,083	(38,134,083)
		183,700,034	**(183,700,034)**
28.00 Basic Earning Per Share (Restated):			
The computation is given below:			
28.01 Basic EPS Normal Operation (Restated):			
Net Profit After Tax		825,361,921	553,889,147
Less/Add : Tax Reversal Impact		(183,700,034)	183,700,034
Net Profit Before Tax Impact		641,661,887	737,589,181
Number of share outstanding during the year		199,947,150	199,947,150
Earning Per Share Normal Operation (Restated)		**3.21**	**3.69**
28.02 Basic EPS Considering Tax Reversal Impact as per Govt. Gazette No. 26.00.000.100.42.008.17-54 Dated.14-05-2018.:			
Net Profit After Tax		825,361,921	553,889,147
Number of share outstanding during the year		199,947,150	199,947,150
Earning Per Share (Restated)		**4.13**	**2.77**
28.03 Number of shares is calculated below:			
Opening balance of outstanding number of shares		159,957,720	
Add: Bonus shares issued for the year 2016-2017 (25%)		39,989,430	
Total		**199,947,150**	
No diluted EPS was required to be calculated for the year since there was no scope for dilution.			
29.00 Net Assets Value Per Share:			
Net Assets	**(Note-29.01)**	4,736,723,738	3,911,361,817
Number of share outstanding during the year		199,947,150	159,957,720
Net Assets Value Per Share		**23.69**	**24.45**
29.01 Net Assets:			
Total Assets		6,570,691,867	5,553,501,595
Total Liabilities		1,833,968,130	1,642,139,778
Net Assets		**4,736,723,738**	**3,911,361,817**
30.00 Net Operating Cash Flow Per Share:			
Net cash generated from operating activities		709,867,150	885,377,915
Number of share outstanding during the year		199,947,150	159,957,720
Net Operating Cash Flows Per Share		**3.55**	**5.54**

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

Particulars	July 2017 to June 2018
Net Profit after tax	825,361,921
Adjustment for:	
Depreciation on property, plant and equipment	445,011,468
written off	2,944,952
Increase/ Decrease Inventories	(38,416,726)
Increase/ Decrease Advance Deposit & Prepayments	(79,248,995)
Increase/ Decrease Trade and other receivables	(59,159,232)
Increase/ Decrease Provisions for current tax	(298,824,250)
Increase/ Decrease liabilities for expense & Services	(55,755,999)
Increase/ Decrease contribution to WPPF	6,088,094
Increase/ Decrease Deferred tax liability	(38,134,083)
Net Cash Generated from operating Activities	**709,867,150**

32.00 Capital Expenditure Commitment:

There was no material capital expenditure authorized by the Board but not contracted for at 30th June 2018.

33.00 Claim not acknowledged as Debt:

There was no claim against the company not acknowledged as debt as on 30th June 2018.

34.00 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 2018.

35.00 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 314 for the whole year.

36.00 Contingent liability:

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

37.00 Related party Transaction:

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

Name of Related Party	Nature of Transactions	30.06.18	30.06.17
AFC Capital Ltd.	Investment	62,000,000	62,000,000
AFC Solvents Ltd.	Investment	50,000	50,000
AFC Agro Biotech Ltd.	Investment	60,050,000	60,050,000
AFC Agro Biology Ltd.	Investment	100,000	100,000
AFC Health Ltd.	Investment	123,774,000	123,774,000
AFC Health Ltd.	Share Money Deposit	-	36,026,000
AFC Health Ltd.	Short Term Loan	19,725,000	-

(b) Further AFC Agro Biotech Limited is one of the supplier of Active Fine Chemicals Limited. During this year Active Fine Chemicals Limited purchases products Tk. 89,727,560 from AFC Agro Biotech Limited . and paid Tk. 8,92,28,877 against purchases after adjusting payable balance of Tk. 35,44,315 and balance payable to AFC Agro Biotech Limited as on 30.06.2018 was Tk. 40,42,998.

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

(d) Transaction with key management personal

Key management personal compensation comprised the followings:

Director's Remuneration	3,250,000
Board meeting fees	165,000
Total	**3,415,000**

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

38.00 Events after the balance sheet date:

Date of Authorization:

(a) The Board of Directors of Active Fine Chemicals Limited authorized these Financial Statements for the year ended 2018 in its 172th Board Meeting held on 27th October 2018.

(b) The Board of Directors at the 172th Board Meeting held on 27th October 2018 recommended 20% stock dividend. This will be considered for approval by the shareholders at the 13th 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.

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Active Fine Chemicals Limited
Schedule of Fixed Assets
As at 30th June 2018

Annexure-A

Sl. No.	Particulars	COST			Rate	DEPRECIATION			Written Down Value
		Opening Balance	Addition during the year	Total		Opening Balance	Charged during the year	Total	
1	Land & Land Development	264,679,799	4,503,937	269,183,736	0%	-	-	-	269,183,736
2	Building	601,738,148	30,359,508	632,097,656	3%	67,659,414	18,507,537	86,166,951	545,930,705
3	Plant & Machinery	1,946,088,874	1,040,053,484	2,986,142,358	10%	427,116,896	246,611,562	673,728,458	2,312,413,900
4	Furniture & Fixture	35,780,353	1,822,106	37,602,459	10%	12,305,928	3,669,141	15,975,069	21,627,390
5	Office Equipment	23,435,062	2,087,220	25,522,282	20%	17,646,840	4,895,734	22,542,574	2,979,708
6	Laboratory Equipment	724,505,444	157,216,275	881,721,719	20%	331,276,866	160,622,716	491,899,582	389,822,137
7	Motor vehicle	47,057,400	2,705,000	49,762,400	20%	29,720,310	9,681,980	39,402,290	10,360,110
8	Gas Line Installation & Other Cons.	10,227,976	-	10,227,976	10%	7,909,585	1,022,798	8,932,383	1,295,593
	Total	**3,653,513,056**	**1,238,747,530**	**4,892,260,586**		**893,635,839**	**445,011,468**	**1,338,647,307**	**3,553,613,279**

Note:
Allocation of depreciation charged during the year:

Head of Accounts	Proporation	Amount
Manufacturing Expenses	85%	378,259,747
Administrative Expenses	15%	66,751,720
	100%	**445,011,468**

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Revenue Stamp

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 **13th Annual General Meeting** of the Company to be held on Thursday, 13th December, 2018 and at any adjournment thereof.

As witness my hand this …… Day of December 2018
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.

Attendance Slip

Name of Member / Proxy……

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

I/We here by record my/our presence at the **13th Annual General Meeting of Active Fine Chemicals Limited** on Thursday, 13th December, 2018 at 10.00 A.M. at Institution of Diploma Engineers, Bangladesh, 160/A Kakril VIP Road, Dhaka-1000.

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.