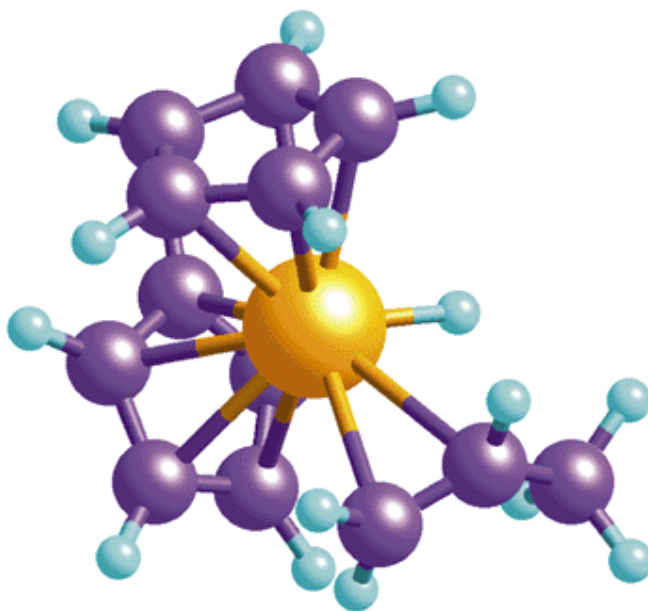




PROSPECTUS



ACTIVE FINE CHEMICALS LIMITED

“If you have any query about this document, you may consult the issuer, the issue manager and the underwriter.”



**PROSPECTUS
OF
ACTIVE FINE CHEMICALS LIMITED**

**PUBLIC ISSUE OF 1,60,00,000 ORDINARY SHARES OF TK. 10.00
EACH AT PAR VALUE TOTALING TK. 16,00,00,000/-**

Opening date for subscription: 14 September 2010
Closing date for subscription: 20 September 2010

For Non-Resident Bangladeshi quota, subscription closes on: 29 September 2010

UNDERWRITERS

ICB Capital Management Ltd.
Eastern Bank Ltd.
Janata Bank Ltd.

The issue shall be placed in “N” category
Issue date of the Prospectus: 16 July 2010

Manager to the Issue

Janata Bank Ltd.
Janata Bhaban,110, Motijheel C/A, Dhaka-1000.
Bangladesh.
Phone: PABX 9565041-43.
Website: www.janatabank-bd.com

“CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR.”

Active Fine Chemicals Limited

Tanaka Tower (2nd Floor), 42/1/Gha, Sagun Bagicha, Dhaka-1000.
Phone: 9572001, 9560250, 9570574.
Fax: 088-02-9550040, Web: www.afchem.com

Definition and Elaboration of the abbreviated words and technical terms used in the Prospectus.

AFCL	: Active Fine Chemicals Limited
API	: Active Pharmaceutical Ingredients
Allotment	: Letter of allotment for shares
BO A/C	: Beneficial Owner Account or Depository Account
Certificate	: Share Certificate
Commission	: Securities and Exchange Commission
Companies Act:	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
FC Account	: Foreign Currency Account
FI	: Financial Institution
GOB	: The Government of People's Republic of Bangladesh
HPLC	: High Performance Liquid Chromatography
IPO	: Initial Public Offering
Issue	: Public Issue
Issuer	: Active Fine Chemicals Limited
NAV	: Net Asset Value of the Company
NBR	: National Board of Revenue
NRB	: Non Resident Bangladeshi
Offering Price	: Price of the securities of Active Fine Chemicals Limited being offered
Registered Office:	Head Office of the Company
RJSC	: Registrar of Joint Stock Companies & Firms
SC	: Share Certificate
SEC	: Securities and Exchange Commission
Securities	: Shares of Active Fine Chemicals Limited
Share Market	: Market of the Securities
Sponsors	: The sponsor shareholders of Active Fine Chemicals Limited
STD Account	: Short Term Deposit Account
Stockholders	: Shareholders
Subscription	: Application money
The Company	: Active Fine Chemicals Limited

AVAILABILITY OF PROSPECTUS

Prospectus of the Company may be available at the following addresses:

Company	Contact Person	Contact Number
Active Fine Chemicals Ltd. Tanaka Tower (2 nd Floor) 42/1/Gha, Sagun Bagicha Dhaka-1000. Fax: 088-02-9550040 Web: www.afchem.com	Mr. Prodip Roy ACS Head of Finance & Company Secretary	9572001, 9550250, 9570574

Issue Manager	Contact Person	Contact Number
Janata Bank Ltd. Janata Bhaban 110, Motijheel C/A Dhaka-1000 Web: www.janatabank-bd.com	Mr. Swapan Kumar Saha First Assistant-General Manager	7176421, 7176720

Under Writers	Contact Person	Contact Number
ICB Capital Management Ltd. 8, DIT Avanie Dhaka-1000.	Mr. Md. Abdur Rouf Chief Executive Officer	7160326-27
Eastern Bank Ltd. Jibon Bima Bhaban, 10, Dilkusha C/A. Dhaka-1000.	Mr. Md.Sayadur Rahman Head of Investment Banking	9564802
Janata Bank Ltd. 110,Motijheel C/A Dhaka-1000	Mr. Swapan Kumar Saha First Assistant-General Manager	7176421, 7176720

Stock Exchanges	Contact Person	Contact Number
Dhaka Stock Exchange (DSE) 9/f, Motijheel, C/A,Dhaka-1000.	D S E Library	9564601-7 9666944-8
Chittagong Stock Exchange (CSE) CSE Building, 1080,SK Mujib Road, Agrabad C.A, Chittagong.	C S E Library	714632-3 720871-3

Prospectus would also be available on the web site of SEC (www.secbd.org) , DSE (www.dsebd.org),CSE (www.csebd.com), **Active Fine Chemicals Ltd.** (www.afchem.com) Issue Manager (www.janatabank-bd.com) and Public Reference Room of the SEC for reading and study.

Name and Address of the Auditor:

Khan Wahab Shafique Rahman & Co.
Chartered Accountants
Rupali Bima Bhaban
7, Rajuk Avenue (5th Floor), Motijheel, Dhaka-1000.
Phone: 9565136, 9551663, Fax:880-2-9551821.

CORPORATE DIRECTORY

Registered & Corporate Office	Active Fine Chemicals Ltd. Tanaka Tower (2 nd Floor) 42/1/Gha, Sagun Bagicha Dhaka-1000. Phone:9572001,9550250,9570574 Fax: 088-02-9550040 Web: www.afchem.com
Issue Manager	Janata Bank Ltd. Head Office Janata Bhaban 110, Motijheel C/A Dhaka-1000, Bangladesh Web: www.janatabank-bd.com
Auditor	Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban 7, Rajuk Avenue (5 th Floor) Motijheel, Dhaka-1000. Phone: 9565136, 9551663. Fax:880-2-9551821.
Compliance Officer of the Company	Prodip Roy ACS Head of Finance & Company Secretary
Compliance Officer of Issue Manager	Swapan Kumar Saha First Assistant-General Manager

All investors are hereby informed that **Mr. Prodip Roy, ACS ,Head of Finance & Company Secretary** would be designated as Compliance Officer who will monitor the compliance of the Acts, Rules, Regulations, Notifications, Guidelines, Conditions, Orders and Directions issued by the Commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the company so as to promote the interest of the investors in the security issued by the Company, and for redressing investors grievances.

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Section-I

STATUTORY CONDITION

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

“As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form only and for this purpose the Active Fine Chemicals Limited has signed an agreement with the Central Depository Bangladesh Ltd. (CDBL). Therefore, all transfer/ transmission, splitting or conversion will take place in the CDBL system and any further issuance of shares (including right/bonus) will also be issued in dematerialized form only.”

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART-A

1. The company shall go for Initial Public Offer (IPO) for 1,60,00,000 ordinary shares of Tk.10.00 each at par totaling Tk. 16,00,00,000.00 (sixteen crore) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4(four) national daily newspapers (two in Bangla and two in English), within 3 (three) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Securities and Exchange Commission, in the issuer’s website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 3 (Three) working days from the date of issuance of this letter shall remain posted till the closure of the subscription list. The issuer shall submit to SEC, the stock exchanges and the issue managers a diskette containing the text of the vetted Prospectus in “MS-Word” format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire , and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (forty) copies of the printed prospectus to the Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within 5 (five) working days of the publication date by express mail service (EMS) of the postal department. A compliance report shall be submitted in this respect to the SEC jointly by the issuer and the issue managers within 2 (Two) working days from the date of said dispatch of the prospectus & the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at

- condition no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non- Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
 8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 07(seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to SEC, to the stock exchanges.
 9. The following declaration shall be made by the company in the prospectus, namely:-

“Declaration about Listing of Shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid 15 (fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Janata Bank, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and

other non-Bangladeshi persons, wherever applicable.

13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -

- (a) Total number of securities for which subscription has been received;
- (b) Amount received from the subscription; and
- (c) Amount of commission paid to the bankers to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (two) CDs and final status of subscription to the commission within **3 (Three) weeks** after the closure of the subscription along with bank statements (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5(five) weeks from the date of the subscription closure), if any of the following events occur:

- (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
- (b) At least 50% of the IPO is not subscribed.

17. 10% of the total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 80% shall be open for subscription by the general public. In case of under-subscription under any of the 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue managers to the issue shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **500 shares worth Tk.5,000/-**(Taka five thousand only). If, on this basis, there is over subscription, then lottery will be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue manager shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. An applicant can not submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and

will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the commission.

20. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application. Otherwise the application will be considered invalid and the subscription money may be forfeited.
21. Lottery (if applicable) shall be held within **4 (four) weeks** from closure of the subscription date.
22. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing . Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicants bank account as far as possible /Account payee cheque / Refund warrants with bank account no, Bank's name and branch as indicated in the securities application form's payable at Dhaka/Chittagong/Khulna/Rajshahi/Barisal/Sylhet/Bogra, as the case may be subject to condition no.19 above.

Refund money of the unsuccessful applicants shall be credited directly to their respective Bank accounts, who have chosen the option in the IPO application forms , as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.

23. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (twenty four) hours** of allotment.
24. In the event of under-subscription of the public offering, the un-subscribed portion of securities shall be taken up by the underwriter(s) (subject to para -16 above). The issuer must notify the underwriter to take up the underwritten shares within 10 (ten) days of the closing of subscription on full payment of the share money within 15(fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue manager, other underwriters, issuer or the sponsor group.
25. All issued shares of the issuer except the institutional bidders shares, at the time of according this consent shall be subject to a **lock- in period of 3 (three) years** from the date of issuance of prospectus or commercial operation, whichever comes later:

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a **lock-in period of 1 (one) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

26. In respect of shares of Sponsor/ Directors/ Promoters (if in paper format) shall be handed over to security custodian bank registered with SEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the commission jointly by the issuer and the issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchanges(s). Or they (shares of Sponsor/ Directors/ Promoters) can be

- demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by the Managing Director of the company along with lock-in confirmation with SEC within one week of listing of the shares with the stock exchanges(s). In respect of shares other than Sponsor/ Directors/ Promoters, the issuer will ensure their lock-in of those shares and submit a statement to this effect to SEC.
27. The company shall apply to the stock exchanges for listing within 7(seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
 28. The company shall not declare any benefit other than cash dividend based on the financial statement for the year ended **December 31, 2009**.

PART -B

1. The issuer and Issue Manager, shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the condition of this letter without any error/omission, as vetted by the Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by SEC. If any discrepancy/ inconsistency is found, both the issuer and the issue managers shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to SEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under “Due Diligence Certificates” provided with SEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchange and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission on utilization of Public Offering proceeds within **15(Fifteen) days** of the closing of each quarter until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer’s cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.
6. All transactions, excluding petty cash expenses, shall be effected through the company’s bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the Shareholders meeting under intimation to SEC and stock exchange(s).
8. Directors of the company’s Board will be in accordance with the applicable laws, rules and regulations.

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-D

1. As per provision of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfer/ transmission/ splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (including right/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owner Account (BO) account.

2. The company along with the issue managers and registrar to the issue shall ensure due compliance of all above conditions and the Securities and Exchange Commission(Public Issue) Rules 2006.

GENERAL INFORMATION

1, Janata Bank Limited (The Manager to the issue) has prepared this Prospectus based on the information provided by the **Active Fine Chemicals Limited** (the Issuer) and also upon several discussions with the Chairman, Managing Director and related executives of the Company. The Directors including Managing Director of Active Fine Chemicals Limited and Janata Bank Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

2. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Issue Manager.

3, The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

4. A copy of this Prospectus may be obtained from the Head Office of **Active Fine Chemicals Limited, Janata Bank Limited**, the underwriters and the Stock Exchanges where the securities will be listed.

Section-II

DECLARATION AND DUE DILIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS INCLUDING CEO OF THE COMPANY “ACTIVE FINE CHEMICALS” IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Md. Mosleh Uddin
Chairman & Director

Sd/-
S.M.Saifur Rahman
Managing Director
&
Director

Sd/-
Md.Afzal
Director

Sd/-
Md.Zia Uddin
Director

Sd/-
Sifaquat Hussain
Director

Sd/-
Md. Sayadur Rahman
Director

CONSENT OF DIRECTOR(S) TO SERVE AS DIRECTOR(S)

We hereby agree that we have been serving as Director(s) of Active Fine Chemicals Limited and continue to act as a Director(s) of the Company:

Sd/-
Md. Mosleh Uddin
Chairman & Director

Sd/-
S.M.Saifur Rahman
Managing Director
&
Director

Sd/-
Md.Afzal
Director

Sd/-
Md.Zia Uddin
Director

Sd/-
Sifaquat Hussain
Director

Sd/-
Md. Sayadur Rahman
Director

DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A vetted and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required by Section 138 (1) of the Companies Act, 1994, 18 July 2010.

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

Sd/-
S.M Saifur Rahman
Managing Director
Active Fine Chemicals Limited

**DECLARATION BY THE ISSUE MANAGER ABOUT THE APPROVAL
FROM SECURITIES AND EXCHANGE COMMISSION FOR ANY
MATERIAL CHANGES REGARDING PROSPECTUS OF ACTIVE
FINE CHEMICALS LIMITED**

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Manager to the Issue

Sd/-

S.M Aminur Rahman

Managing Director & C E O

Janata Bank Limited

DUE DILIGENCE CERTIFICATE OF MANAGER TO THE ISSUE

Sub: Public Issue of 1,60,00,000 Ordinary Shares of Taka 10.00 each at par of Active Fine Chemicals Ltd.

We, the under-noted Manager to the Issue to the above mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussion with the issuer Company, its directors and officers, and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the issuer Company; -

WE CONFIRM THAT:

- a. the draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b. all the legal requirements connected with the said Issue have been duly complied with; and
- c. the disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well-informed decision for investment in the proposed Issue.

For Manager to the Issue

Sd/-

S.M Aminur Rahman

Managing Director & C E O

Janata Bank Limited

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Sub: Public Offer of 1,60,00,000 Ordinary Shares of Taka 10.00 each of Active Fine Chemicals Limited

We, the under-noted Underwriter(s) to the above-mentioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision;

and

2. On the basis of such examination, and the discussion with the Issuer Company; its directors and other officers, and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Issuer Company; -

WE CONFIRM THAT:

- a. all information as are relevant to our underwriting decision have been received by us and the draft Prospectus forwarded to the Commission has been approved by us;
- b. we shall subscribe and take up or procure subscription for taking up the under-subscribed Securities against the above-mentioned Public Issue within 15 (fifteen) days of calling up thereof by the Issuer; and
- c. this underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Managing Director

ICB Capital Management Ltd.

Eastern Bank Ltd.

Janata Bank Ltd.

**NO OBJECTION CERTIFICATE REGARDING PUBLIC ISSUE OF
SHARES OF ACTIVE FINE CHEMICALS LIMITED BY THE
LENDING AGENCIES**

Ref: JBL/LO/ICD/Active fine/51/2010.

Date: 22/2/2010

Managing Director
Active Fine Chemicals Ltd.
Tanaka Tower, (2nd floor)
42/1/Gha, Sagun Bagicha
Dhaka-1000
Bangladesh.

Sub: Issuance of NOC for Initial Public Offer (IPO).

Dear Sir,

We are pleased to inform you that the Board of Directors of Janata Bank Ltd. has approved the NOC for Initial Public Offering (IPO) of Active Fine Chemicals Ltd.

Therefore Janata Bank Ltd. has no objection regarding the Initial Public Offering (IPO) of Active Fine Chemicals Ltd.

Best regards

Sd/-
(Md. Nazrul Islam)
Deputy General Manager
Janata Bank Ltd.
Principal Branch
Dhaka.

Section-III

RISK FACTOR & MANAGEMENT'S PERCEPTION ABOUT THE RISKS

1.1. Interest Rate Risk:

AFCL financed 31.7% of its asset through a term loan financed by Janata Bank Ltd as on December 31st, 2008. Interest rate structure is declining since the loan was sanctioned. Hence out-of-pocket financing cost is higher than the prevailing borrowing cost. Further decrease in the interest rate structure may increase such cost. AFCL has also borrowed BDT 1.1 crore (6.67% of total asset) from its directors other than which the company has no other interest-sensitive asset or liabilities.

Management perception about the risk: *AFCL's long-term financial policy includes delivering the balance sheet to reduce its interest rate sensitivity. AFCL will repay the term loan with the proceeds of the IPO and thereby reducing its financial leverage and interest rate sensitivity. However from short term financial control perspective, the company may lend for financing working capital requirement whose interest rate sensitivity may be actively managed through efficient working capital management (when interest rate has upward trend) and refinancing (when interest rate has downward trend).*

1.2. Exchange Rate Risk: Currently most of the raw materials consumed by the company are imported from China whose payments are USD denominated. Fluctuation of USD to BDT exchange rate may have negative impact on the cost structure and profitability of the company.

Management perception about the risk: *USD to BDT exchange rate tends to remain stable as Bangladesh has all time high greenback reserve currently. However AFCL will pursue efficient and effective treasury solutions to mitigate the exchange risk involved with the import payment. For example appropriate forward contract position can be undertaken given the economic circumstances that can affect exchange rate. Moreover AFCL is planning to produce its required raw material in-house rather than import from June 2011. Such backward integration will substantially lessen the exchange rate risk exposure of the company.*

1.3. Industry Risks: Competition may increase with too many new players and govt. incentives may lower barriers to entry. Some pharmaceutical companies may integrate backward to secure their supply chain for quality raw material.

Management perception about the risk: *Active Fine Chemicals Ltd. is more likely to outperform potential competition due to their first moving advantage, superior management, premium product line and effective R&D plan.*

Finished pharmaceutical product manufacturers need wide variety of chemicals, APIs & reagents. Producing such raw materials in-house will not be a viable business model for them due to the diversity of the raw material and inefficient scale of economies. Hence AFCL will have competitive advantage relative to the in-house API producing Pharmaceutical companies in producing and marketing pharmaceutical raw materials.

1.4. Market & Technology-related Risks: AFCL's investment in plants and technology may become obsolete and the product quality may be impaired due to malpractice or stale technological enforcement.

Management perception about the risk: *AFCL is focused to remain updated in investing in facilities and technologies that will ensure constant quality of its production system. The management has vast experience throughout the industry value chain which helps them to develop insight regarding probable industry development in the technological arena and plan accordingly. Sufficient flexibility such as project sequencing and option based project implementation has been planned to facilitate updated technologically.*

1.5. Potential or Existing Govt. Regulation: Govt. is actively pursuing to evolve the API and fine chemical industry. Govt. has taken initiative to construct an API park in Munshigonj and may provide incentive to encourage foreign investment or new entrants to increase the competitiveness of the industry.

Govt. may increasingly monitor and regulate the pharmaceuticals and related industry to ensure quality of products and public health.

Management perception about the risk: *Once the Govt. provides exclusive incentive to encourage local production of API and other chemical reagents, AFCL will be at least equally benefited relative to the potential new entrants.*

The more the Govt. regulates to ensure quality of pharmaceutical products, the more will be the capacity of AFCL to differentiate its product. As AFCL is committed to provide the market with best solutions, Govt's stringent monitoring will expand the market for AFCL's production.

1.6. Potential change in Global or National Policies: Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might hamper the production and profitability.

Management perception about the risk: *The management of AFCL is always concerned about the prevailing and upcoming future change in the global or national policy and shall respond appropriately and timely to safeguard its interest. AFCL's brand image and wide distribution network amongst its customer group will always enable it to withstand any such potential threats. The company can prosper in situation of political stability and a congenial business environment. Political turmoil and the disturbance are bad for the economy and so also for us the company.*

1.7. History of non-operation: *There is no history of non-operation of the AFCL.*

1.8. Operational Risks: AFCL may not achieve or maintain required quality for its products. Litigation and significant contingent liability including the abolishment of the company can be the result of such product quality failure.

Management perception about the risk: *AFCL ensures never to deliver any defective product, knowingly to any of our customers. The company will take full responsibility of a defective product, if any. Ensuring and maintaining quality of its product is one of the top priorities and strategies of the company. For that each required processes has been placed and effective R&D has been enforced. The company is very keen on ensuring quality of its product and working rigorously for continuous improvement.*

1.9. **Business Risks:** Import cost of the raw materials such as APIs and reagents may reduce heavily making it uneconomical to produce such pharmaceutical raw materials locally.

Moreover raw chemicals and molecules required to produce APIs & reagents locally are initially imported by AFCL. Import cost of such inputs may hike and create pressure on the profitability and sustainability of the company.

Management perception about the risk: *Most of the APIs and reagents consumed in Bangladesh are imported from China and India. Bangladesh has cost advantage in factors of production relative to these countries in producing APIs & chemical reagents locally. For example white collar employees can be hired at 40-50% lower pay in Bangladesh relative to India and energy cost in Bangladesh is 40% lower than India's. Moreover 5-15% import duty is applied to pharmaceuticals' raw material imported to Bangladesh. So local producers of APIs & chemical reagents will enjoy significant cost advantage given that they can ensure quality of their diversified product-line. AFCL is committed to provide diversified product line with premium quality to face such cross-border challenges.*

AFCL is adding 50-200% value over the import cost of the imported raw molecules and other chemicals. As percentage of value addition is significant and buyers of AFCL's finished products are not cost sensitive rather quality sensitive, price hike of raw materials in the international market would not impair profitability of the company directly. Moreover if the raw material (basic chemical & molecules) prices gone up in the international market, then importing finished products (APIs) will not be cost advantageous over procuring from local market at higher price.

AFCL will produce basic chemicals and its other required raw materials in house from June 2011. Once the company integrate backward, such risk will be mitigated while the value addition margin will increase to increase company's profitability.

Section-IV

ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING

The capital structure of Active Fine Chemicals Ltd. before and after IPO will be as under:

A. Financial structure prior to Initial Public Offering (IPO):

Issued & Fully paid-up capital as per audited accounts as on 31/12/2009	Tk. 20,00,00,000/-
Capital raised after balance sheet date as on 31/12/2009 (* As per Return of Allotment certified by Registered of Joint Stock Companies and Firms (RJSC) as on 6/3/2010)	Tk. 4,00,00,000/-
Total capital structure as on 31/3/2010 (A)	Tk. 24,00,00,000/-

B. Financial structure after Initial Public Offering (IPO):

I. Initial Public Offer (NRB)	TK. 1,60,00,0000/-
II.. Initial Public Offer (Mutual Fund)	Tk. 1,60,00,000/-
III. Initial Public Offer (General Public)	Tk. 12,80,00,000/-
Total collection from IPO (B)	Tk. 16,00,00,000/-
Total Paid-up Capital after Initial Public Offering (IPO) (A+B)	Tk. 40,00,00,000/-

Use of Proceeds

Proceeds from IPO of Tk. 16,00,00,000/- will be utilized for settled of Janata Bank Ltd. term loan, Supporting of Working Capital and IPO expenses. Detailed of the utilization plan is as follows:

Year	Source of Fund	Amt.(TK.)	Breakdown of usage of Fund	Amt.(TK.)
2010	Initial Public Offering	16,00,00,000/-	To service Janata Bank term liability Working capital IPO Exp.	6,55,00,000/- 8,25,00,000/- 1,20,00,000/-
		16,00,00,000/-		16,00,00,000/-

The term loan with Janata Bank Ltd. shall be fully settled from the IPO proceeds at a time and remaining will be used for support of working capital and IPO expenses.

Sd/-
S.M.Saifur Rahman
Managing Director
&

Director

Sd/-
Prodip Roy
Head of Finance
&

Company Secretary

Section - v

Corporate Status INFORMATION ABOUT THE COMPANY

DESCRIPTION OF THE BUSINESS

Active Fine Chemicals Ltd. (AFCL) had been established on December 1st, 2004 as a private limited company with a vision to serve the bulk drugs market in Bangladesh. Subsequently it was converted to "Public" limited company on 9th December 2009, under the same Certificate of Incorporation. The Company has been granted license from Directorate of Drug Administration of Bangladesh to operate as a manufacturer of Biological & other special products. The Company has been started commercial production since 5th October, 2009 after four years of its Incorporation. The delay of production due to the constructed factory building, internal infrastructure, capital machinery erection, Gas connection and permission from the Directorate of Drug Administration of Bangladesh. The key driving force is the opportunity to serve a fast growing pharmaceutical local market which is heavily import dependent for its raw materials. Providing highest quality materials at a very competitive price is AFCL's goal. AFCL has set up a multi-purpose bulk drugs and fine chemicals manufacturing facility at Munshiganj, 20 km away from the capital Dhaka. The plant is established on a 3.60 acre land. The existing facility has 40 KL reaction capacity with all kind of installed utility services. .

1. Principal Products:

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

1.1 Active Pharmaceutical Ingredients (API):

Currently the company is producing four APIs that are relatively highly demanded in the market. As Antibiotics accounts for 30% of the local pharmaceutical finished product portfolio, in terms of volume API is the most demanded raw materials in the local market. Initially the company is entering the market with most demanded product-set within the API group. AFCL is the Macrolide group antibiotics API manufacturer in Bangladesh. In 2009 AFCL has started producing and marketing several APIs whose names are given below:

Sl No	API Name
1	Azithromycin
2	Clarithromycin
3	Erythromycin Ethyl Succinate
4	Erythromycin Stearate

1.2. Reagents:

Wide varieties 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 is the Laboratory reagent manufacturer in Bangladesh. Bangladeshi companies used to import these chemicals.

Sl No	Laboratory Reagent Name
1	HPLC Grade solvents
2	Solvents
3	Powder reagents

2. Relative contribution of the services contributing more than 10% of the total revenue:

AFCL producing following two kinds of products and percentage of sale combination are as follows:

API 55%
Reagent 45%

3. Associates, Subsidiary/Related Holding Company:

Active Fine Chemicals Ltd. does not have any other Associates, Subsidiary/Related Holding Company.

4. Distribution Channel for Marketing Products:

AFCL's products are the API and Reagents inputs of the pharmaceutical industry. Target customers are finished pharmaceutical product manufacturers. Hence Business-to-Business marketing strategy is the robust business model for AFCL. The company has a competent and experienced marketing team which establishes and maintains effective network with the purchase departments of different pharmaceutical companies and laboratories.

Moreover Active Fine Chemicals Ltd's website is regularly updated to include newly offered products and to implement other online marketing campaigns.

5. Competitive Condition of the Business:

Supply side of the drug-making industry of Bangladesh is import based. Local companies produce only 5% of the local market demand for the pharmaceutical raw materials. Most of those companies consume the raw material for their own production. Hence a huge market with no significant competition makes the industry structure attractive for potential new entrants. Following is the list of API manufactures along with the APIs they produce:

Major API manufacturers in Bangladesh and their products - 2007	
Company	List of API Products
Beximco Pharmaceuticals Ltd.	Amlodipine, Amoxicillin, Ampicillin, Celecoxib, Rofecoxib, Paracetamol, Diclofenac, Cloxazillin, Flucloxacillin, Cetirizine Fluconazole, Ciprofloxazin, Ranitidine, Cephalexin
Square Pharmaceuticals Ltd.	Amoxycillin, Paracetamol, Diclofenac, Cloxazillin, Flucloxacillin, Cephalexin
Drug International Ltd.	Amoxycillin, Diclofenac, Cloxacillin, Flucloxacillin, Cephalexin
Globe Pharmaceuticals Ltd.	Amoxycillin, Diclofenac, Cloxacillin, Flucloxacillin, Cephalexin
Gonoshashtaya Pharmaceuticals Ltd.	Amoxycillin, Paracetamol, Diclofenac, Cloxazillin, Flucloxacillin, Cephalexin
Sunipun Pharmaceuticals Ltd.	Paracetamol
Opsonin Chemicals Ltd.	Amoxycillin, Paracetamol, Diclofenac
<i>Source: GTZ. (2007). 'Study on the Viability of High Quality Drugs Manufacturing in Bangladesh.' Federal Ministry of Economic Cooperation and Development</i>	

Moreover all the required factors for producing API, laboratory reagents are locally available. Hence local producers are more likely to compete successfully against their international competitors.

As there is no significant local competitor, foreign exporters are the major competing forces. It is noteworthy that Bangladesh has significant competitive advantage to compete the foreign exporters of API in terms of cheap human resource and lower energy cost.

Hence in absence of any established local API or reagent producer and marketer, local industry's competition is low to moderate. On the other hand, Indian and Chinese producers are the major competing parties against whom Bangladeshi API producers have significant cost advantage. The challenge for Bangladeshi producer is to lessen the know-how gap and generate a rapid learning curve. Active Fine Chemicals Limited has a competent management team besides the experienced Board of Directors to address such challenge.

6. Sources and availability of raw materials and Principal suppliers:

Currently AFCL is importing raw materials from various sources abroad mainly from China and India. At this point, AFCL's main raw materials are product of the Biotechnology industry. AFCL's key raw material for its current product line is Thioc. Currently it is imported from some Chinese companies namely Ningxia Quiyan Pharmaceutical Ltd, Anuhai BBKA among others.

7. Sources of, requirement for, power, gas and water or any other utilities:

Active Fine Chemical Ltd. has a factory with 40 KL capacity in West Muktarpur, Munshiganj. The factory has gas connection from TITAS Gas Supply and Distribution Company Ltd and electricity connection from PDB at the site. Ground water source is used for water supply.

8. Names of the customers who purchase 10% or more of the company's products:

No single customer purchases more than 10% or more of the company's product.

9. Description of contract in-between the company and any of its principal suppliers or customers:

The company (AFCL) does not have any contract with principal suppliers or customers.

10. Description of any material patents, trademarks, licenses or royalty agreements:

On 5th October 2009, the company (AFCL) got the license from the Directorate of Drug Administration. The license with issue number of 275 enables AFCL to produce Biological and other special products. Active Fine Chemicals Ltd. has registered AFCL logo from the Ministry of Industry. Presently AFCL is producing API & Reagent.

Other than these, the company has no material patents, trademark, licenses or royalty agreement.

11. Number of total employees and number of full-time employees:

As on 31 March,2010

Particulars	Factory	Head Office	Total Employee
No of Employees	54	38	92

12. Production Capacity and Current Utilization:

AFCL has set up a multi-purpose bulk drugs and fine chemicals manufacturing facility at Munshiganj, 20 km away from capital Dhaka. The plant is established on a 3.60 acre land and the facility currently has 40 Kilo Liters reaction production capacity monthly.

As the company obtained the license for producing biological and other fine chemicals during early October 2009, the production capacity utilization is yet to get the momentum. Detailed product wise production capacity and current production level is given below which certified by Auditor:

Product	Installed Capacity	Current Utilization
HPLC Grade solvents	10 KL	1.5 KL
Solvents	20 KL	3.0 KL
Powder reagents	10000 KG	1500 KG
Azithromycin	3000 KG	300 KG
Clarithromycin	2000 KG	300 KG
Erythromycin Ethyl Succinate	5000 KG	750 KG
Erythromycin Stearate	5000 KG	750 KG

Section-VI

DESCRIPTION OF PROPERTY

A. The Company has set up its plant at Mukterpur, Monsigonj, to run operations and the corporate office is situated at Tanaka Tower, 2nd floor, 42/1 Gha, Shegun Bagicha, Dhaka, Bangladesh. The Company possesses the following fixed assets:

As per Audited Accounts 31/12/2009.

Particulars	Value
Land & Land Development	14,40,00,000.00
Building	7,30,38,637.00
Plant & Machinery	10,09,60,657.00
Furniture & Fixture	30,81,782.00
Office Equipment	9,95,315.00
Vehicles	30,06,750.00
Gas Line Inst. & Other Construction	97,50,000.00
Total	33,48,33,141.00

B. All the Assets own by the company the Company, plant and machineries are purchased in brand new condition.

C. 3.42 acres Land & Building mortgaged with Janata Bank Limited, Principal branch, Dhaka against project loan out of total land 3.60 acres . Remaining 0.18 acres are under mutation process. Total land registrar in the name of the Company.

D. Entire plant and machinery is owned by the Company and the Generator only taken as lease form One Bank Limited, Motijheel Branch and it will expire on March 2012.

Section-VII

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

1. Internal & External Source of Cash:

As per Audited Accounts 31/12/2009

Internal Sources of Cash:	31/12/2009
Ordinary Share Capital	20,00,00,000
Retained Earning	52,81,070
Sub Total	20,52,81,070
External Sources of Cash:	
Long Term Loan From Bank	8,10,85,969
Short Term Loans	2,53,81,842
Finance Lease	15,45,455
Sub Total	10,80,13,266
Grand Total	31,32,94,336

2. Material Commitment for Capital Expenditure

The company has not yet made any material commitment for capital expenditure except for those that are required in the course of carrying out of normal business operations and require fund to be supported by company's revenue.

3. Causes material changes from period to period

The Company started commercial operation from October-2009 for that reason comparative Profit & Loss Accounts is not required.

4. Seasonal aspect

There is no seasonal aspect in this business.

5. Any known trends, events, or uncertainties etc.

There are no known trends in customer preferences that affect Company's operations. However, political unrest, hartal, and power crisis are the known events in our country that may affect the Company's business /operations.

6. Any changes in the Assets

No asset of the company has been used for pay of the liabilities.

7. Any loan taken or given by the company either from or to its holding / parent or subsidiary company

There is no any subsidiary or parent company. So question of loan taken or given is not arise.

8. Any future contractual liabilities within one year

The company does not have any plan in near future to contact any new liabilities.

9. Estimated amount for future capital expenditure:

The company has no plan in the near future for any capital expenditure other than day to day operation.

10. Income Tax, VAT, Contingent liabilities along with reason:

a) Income Tax:

Income Tax assessment has been processing up to assessment year 2008-09 and Company is enjoying Tax exemption facility in the following manner:

2010 and 2011	100% Tax exemption
2012 and 2013	50% Tax exemption
2014	25% Tax exemption

b) VAT:

It is a VAT paying company and an amount of Tk 32,57,446/- has been paid as VAT during the period from October to Dec 2009. As per audited accounts as on December the amount of Tk.7,58,299/- that has been paid subsequently on 06.01.2010 and 28.02.2010.

c) Contingent liabilities:

There was no sum for which the company as contingent liability.

11. Details of Finance lease:

Name of Bank	Type of Loan	Amount of Loan	Rate of Interest	Sanction Date	Amount of Installment	Outstanding Balance	Expiration of Lease
One Bank Ltd	Lease Finance	20,00,000/-	16%	22/2/2009	69,400/-	15,45,455/-	February-2012

12. Details of financial commitments including lease commitments as on December 18/3/2010:

Name of Bank	Type of Loan	Sanction Amount of Loan	Rate of Interest	Sanction Date	Amount of Installment	Outstanding Balance
Janata Bank Ltd	Project Loan	11,04,62,000/-	12%	4/7/2006	1,55,51,159	6,55,49,352/-
Janata Bank Ltd	C C(Hypo)	4,37,96,000/-	13.50%	26/4/2009		3,83,85,283/-

13. Details of personal related scheme:

The company considers its human resources as the most valuable assets and the profitability of company largely depends on the efficient & effective productivity of human resources. With a view to supporting these lofty objectives, the company provision for Workers Profit Participation Fund (WPPF) 5% and pay Festival Bonus.

14. Break down of the IPO expense:

Details of estimated Public Issue expenses are shown below:

Head of Expenses	Amount (appx)
Application fees	10,000
Issue Management Fees	16,00,000
Underwriting Commission	4,00,000
Bankers to the Issue (appx)	8,00,000
Publication	6,00,000
Printing	3,00,000
Data processing	50,00,000
Listing Fees DSE & CSE	20,00,000
Consent Fees to SEC	2,40,000
Lottery and others expenses	500,000
CDBL	200,000
Security deposit to CDBL	300,000
Total	1,19,50,000

15. Details of Revaluation:

The Revaluation of the company has been made by G.K. Adjusters Ltd. Chand Mansion (5th Floor) 66, Dilkusha C/A, Dhaka-1000 as on 15th December 2009 .

Name of the Surveyor Company G. K. Adjusters Limited
 Managing Director Sathi Bilkis Yasmin

Sl No.	Name of the valuation team member	Qualification
	Sathi Bilkis Yasmin	C.I.M.A (UK). Authorized Surveyor
	Arif Sarkar	BSC Engr. (BUET)
	Wali-ul-Islam Khan	B.SC (Diploma Engr)
	Kazi Sazzad Haider	MSS (Diploma Engr)
	Others	Experienced Surveyors

Some of mentionable valuation works completed by G K Adjusters Limited.

Name of the company for which revaluation of Assets was done
M/S. B.D Welding Ltd.
M/S. Active Fine Chemicals Ltd.
M/S. Dhaka Dyeing Ltd.
M/S. Shamsuddin Spinning Mills Ltd.
M/S. Beximco Textile Mills Ltd.
M/S.G.M.G. Airlines Ltd.
M/S. Shama Razor Blade Factory Ltd.
M/S. Brighton Hospital Ltd.
M/S. Islam Jute Mills Ltd.
M/S. Pran Group
M/S. Apex Group & many more.

Reason for valuation:

To ascertain net worth of the project at current value of the Land, Building, Plant & Machinery and other assets.

The break-up of Revaluation of Assets are as follows:

Description	Book Value As on 31/12/2009	Revaluation surplus as on 31/12/2009	Revalued book value as on 31/12/2009
Land & Land Development	4,92,00,000	9,48,00,000	14,40,00,000
Building	6,29,28,000	1,05,70,000	7,34,98,000
Plant & Machinery	10,29,79,392	5,70,000	10,35,49,392
Furniture & Fixture	31,60,802	-	31,60,802
Office Equipment	10,47,700	-	10,47,700
Motor Vehicle	31,65,000	-	31,65,000
Gas line installation & Others Construction	25,00,000	75,00,000	1,00,00,000
Total	22,49,80,894	11,34,40,000	33,84,20,894

16. Transaction between holding/subsidiary/associate Company and the Issuer:

Active Fine Chemicals Ltd. does not have any holding/subsidiary/associate company.

17. A special report from Auditor's about Allotment of Shares to Promoters in Cash:

This is to certify that the Capital structure of Active Fine Chemicals Ltd. as on 31/3/2010 is as follows:

Authorized Capital: 10,00,00,000 Ordinary Shares @ Tk. 10 each	100,00,00,000
Issued, Subscribed and Paid up Capital: 2,00,00,000 Ordinary @ Tk. 10 each in fully in cash	
At the time of Incorporation	9,60,00,000
Issued as on 8/12/2009	10,40,00,000
Issued as on 6/3/2010	4,00,00,000
Total	24,00,00,000

We certify that the Company does not issue any shares otherwise than cash and the books of accounts of the Company have been verified and found in order.

Date:-8th May, 2010
Dhaka

Sd/-
Khan Wahab Shafique Rahman & Co
Chartered Accountants

18. Declaration Regarding Non-Suppression of Material Information:

This is to declare that to the best of our knowledge and belief no information, facts, circumstance, that are material have not been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-

S.M Saifur Rahman
Managing Director

Section-VIII

INFORMATION ABOUT DIRECTORS AND OFFICERS

DESCRIPTION OF DIRECTORS

Sl No	Name of Director	Age (Years)	Position	Date of becoming a Director for the first time	Date of expiration of current term
1	Md. Mosleh Uddin	58	Chairman	31/12/2009	AGM to be hold in 2013
2	S.M.Saifur Rahman	31	Managing Director	1/12/2004	AGM to be hold in 2012
3	Md.Zia Uddin	30	Director	1/12/2004	Next A G M
4	Md.Afzal	34	Director	1/12/2004	Next A G M
5	Sifaquat Hussain	41	Director	31/12/2009	AGM to be hold in 2013
6	Md.Sayadur Rahman	44	Director	31/12/2009	AGM to be hold in 2012

DIRECTORS INVOLVEMENT IN OTHER ORGANIZATIONS

Sl No	Name of Director	Position	Involvement of the other Organization Name of the Organization	Position
1	Md.Zia Uddin	Director	Hamid Industrial Corporation (Pvt) Ltd. Faijun Industries (Pvt) Ltd. Zia Uddin Metal Industries	Director M D Proprietor

FAMILY RELATION AMONG THE DIRECTORS

There are no relationships among the Directors.

FAMILY RELATION BETWEEN DIRECTORS & OFFICERS

Mr. Mahabubur Rahman, Executive (Admin) is the youngest brother of Mr. Sayadur Rahman, Director. Other then there are no other relationship among the Directors and Officers.

SHORT BIO DATA OF DIRECTORS

*** Mr. Md. Mosleh Uddin, Chairman**

Md. Mosleh Uddin is the Chairman of the company. He was born in Camilla in 1952. He completed his Honors and Masters in Economics from the University of Chittagong in 1974 & 1975 respectively. After education he joined a Commercial Bank as senior officer in 1976. Before that he worked as lecturer of Economics in Comilla College Comilla. In 1979 he joined Bangladesh administration service. He worked as first class magistrate, Upazila Nirbahi officer, ADC and Chief of Zila Parishad in different districts and Upozilas. He also worked as Deputy Commissioner (D.C) in a district. As Joint Secretary he worked in the Bangladesh Secretariat. He also worked as Chairman Chittagong Port Authority. As Secretary to the Govt. of Bangladesh he worked in the Ministry of Land & Establishment. He has traveled both at home and abroad for policy and management training purpose both as resource person as well as trainee. He is an energetic hard working and challenging personality with excellent amiable disposition. He has already proved his managerial capability in different fields of management and administration. He always thinks ahead and does possess the qualities of a successful leader.

*** Mr.S.M.Saifur Rahman, Managing Director**

S.M.Saifur Rahman is the Managing Director of the Company . He was born in 1979 at Dhaka in a reputed business family. The key visionary founder of this company has a very strong background in scientific research in chemicals technology. He holds the post of Managing Director and Chief Scientist at Active Fine Chemicals Ltd.. Mr.Rahman graduated from University of Rochester, USA with a bachelor degree in chemical Engineering in 2000, and a master degree in Chemical Engineering in 2001. He was enlisted in the DEAN of Engineering Schools 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 3Years 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 manufacturing process of critical drugs. He was able to get hands on experience on running and maintaining a complex APIs (Active Pharmaceutical Ingredients) manufacturing units. At that point he realized how vital and potential 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 a 21st century's standard true global company.

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

Md. Afzal is Director of the Company. He was born in 1976 at Dhaka. Md. Afzal graduated from Independent University, Bangladesh in 2001 with bachelor degree in Business Administration, majoring in marketing and minor in Management .Mr. Afzal has been involved with his father's business since early 1997. He has taken over the sole management of their family business since 2001. His family has been successfully running business of manufacturing jewelries made of precious metals and gems for last 3 decades. They own a jewelry sales outlet in Dhaka city's posh area at Gulshan. This company is looking forward to utilize his experience and insight in marketing and management.

*** Mr. Md. Zia Uddin, Director**

Md. Zia Uddin is Director of the Company. He was born in 1980 at Dhaka. Md. Zia Uddin has done his B.B.A from City University, Dhaka. He is managing director of Faijun Industries (pvt.) Ltd. and proprietor of Ziauddin Metal Industries. He is a director of Hamid Industrial Corporation (pvt.) Ltd. Ever since he took control of his family business, the group has seen surge in business activities. He has great leadership qualities and also well known for his business negotiation skills with in his business community.

*** Mr. Sifaquat Hussain, Director**

Md. Sifaquat Hussain is Director of the Company. He was born in 1969 at India. Academically he is a M.Sc. organic Chemistry from Aligarh Muslim University from India. He has been working in API manufacturing plants in India for last 18 years before he joined Active Fine Chemicals Ltd in Bangladesh. He has in depth detail knowledge of API manufacturing. He worked as top production management executive for many world famous Indian API manufacturing companies such as Ranbaxy, Alembic, Thomas Baker etc. His deep experience in API manufacturing will work as a strong factor to set the vibrant future of this company.

*** Md. Sayadur Rahman, Director**

Mr. Md. Sayadur Rahman is Director of the Company age about 45 years. He has completed Master in Management, MBA, L.L.M. He has served around 23 years in different financial institutions.

CIB Report:

Neither Active Fine Chemicals Ltd. nor of its Sponsors or Directors or Shareholders who hold 5% or more shares in Paid-up capital of the issuer is loan defaulter in terms of the CIB Report of the Bangladesh Bank.

TOP FIVE EXECUTIVES

Sl No	Name of Officers	Position	Educational Qualification	Date of Joining Company	Names of Organization worked during the last five years
1	S.M.Saifur Rahman	Managing Director	M.Sc Chemical Engineer (USA)	1/12/2004	1.Managing Director Active Fine Chemicals Ltd.
2	Sifaquat Hussain	Chief Operating Officer	M.Sc Chemistry(India)	21/5/2008	1.Senior Production Manager Thomas Baker Chemicals Pvt.Ltd.(India)
3	A.B.M. Jamal Uddin	S.V.P (Sales & Marketing)	B.Sc(Hons),M.Sc Bio Chemistry	1/1/2009	1.General Manager, Plant. Ziska Pharmaceutical Ltd. 2.Quality Assurance Manager Renata Ltd.
4	Prodip Roy	Head of Finance & Company Secretary	M.Com (Accounting). ACS	15/2/2009	1.Manager(Accounts & Finance) & Company Secretary Fayenaz Group of Companies.
5	Zahid Hussain	Production Manager	M.Sc Chemistry(India)	6/7/2009	1.Production Executive Ind Swift Laboratories Ltd.(India)
6	Arun Kumar Kanulal Kakadia	Manager Quality Control	M.Sc Micro Biology(India)	6/7/2009	1.Astt.Manager(Q C) Alembic Ltd.(India)

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No Directors or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

1. Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
2. Any conviction of director, officer in criminal proceedings or any criminal proceedings pending against him.
3. Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or Banking activities.
4. Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any director or officer in any type of business of securities or Banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following person as under , except as mentioned in Note No.12 (Short Term Borrowing) of the Auditors Report:

- a. Any Director or Executive officer of the Issuer.
- b. Any director or officer.
- c. Any person owning 5% or more of the outstanding share capital of the Issuer.
- d. Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in laws) of any of the above persons.
- e. Any transaction or arrangement entered into by the Issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus.

f) Loan Given/Taken:

The company taken loan from the following directors & others:

Loan from Directors:	Amount(Tk.)
Mr. Alhaj Saydur Rahman	1,11,30,000
Mr.S.M.Saifur Rahman	37,95,000
Mr.Md.Zia Uddin	36,70,000
Mr. Jewel Khan	10,00,000
Md. Afzal	28,00,000
Total	2,23,95,000

The above loans are taken in different time according to the decision taken by the Board of Directors Meeting, which will be repaid in within three years without interest.

No loan has been given to any Director of the Company.

g) Interest and Facilities enjoy by the Directors:

The following Directors are taking monthly remuneration since October 2009 because of they are providing full time service in the company:

Name	Designation	Remuneration From 1/10/09 to 31/12/09
Md. Moslehuddin	Chairman	1,50,000
S.M Saifur Rahman	Managing Director	3,00,000
Md.Afzal	Director	1,50,000
Md.Ziauddin	Director	1,50,000
Total		7,50,000

EXECUTIVE COMPENSATION

A) Remuneration paid to top five salaried officers in the last accounting year:

(Amount in Taka)

Sl. No	Name	Designation	1-1-2009 to 31-12-2009
1	Sifaquat Hussain	Chief Operating Officer	12,00,000
2	A.B.M. Jamal Uddin	S.V.P (Sales & Marketing)	7,80,000
3	Prodip Roy	Head of Finance & Company Secretary	3,30,750
4	Zahid Hussain	Production Manager	3,60,000
5	Arun Kumar Kanulal Kakadia	Manager Quality Control	3,60,000

B) Aggregate amount of Remuneration paid to Directors & Officers during the last accounting year:

(Amount in Taka)

As per Audited Accounts

Sl. No.	Name	1/1/09 to 31/12/09	1/10/09 to 31/12/09
1	Directors Fees & Remuneration	7,50,000	7,50,000
2	Officers & Executives Salaries & Wages	91,10,804	26,08,366

C) Contract for payment of future compensation:

The Company has no contract with any Director/Officer providing for the payment of future compensation.

D) Pay increase intention:

There is no plan to increase salary except normal increment

OPTION GRANTED TO OFFICERS, DIRECTORS AND EMPLOYEES

The Company has not offered any option for issue of shares to any of the officers, directors and employees or to any outsiders.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

A) Benefit from the Company:

The Promoters of the Company have not received any benefit other than the mentioned in “Certain Relationships and Related Transactions”, “Executive Compensation” and “Interest and Facilities enjoy by the Directors” part of the prospectus.

B) Directors and Subscriber’s Assets to the Company:

The Company has not received any assets, services of other consideration from its Directors and Subscribers to the memorandum expect:

- 1) Fund against allotment of shares.
- 2) Transition mentioned under caption “Loan status” in the prospectus.
- 3) Service from four directors named Mr. S.M.Saifur Rahman, Mr. Md. Afzal, Mr. Md.Zia Uddin and Mr. Sifaquat Hussain.
- 4) No assets were acquired or are to be acquired from the directors and subscribers to the memorandum.

TANGIBLE ASSETS PER SHARES

Particulars	As on 31/12/2009
<u>Assets:</u>	
Fixed Assets at cost less depreciation	33,48,33,141
Current Assets	6,86,59,529
Total Assets (A)	40,34,92,670
<u>Liabilities</u>	
Non Current Liabilities	8,10,85,969
Current liabilities	3,51,26,279
Total Liabilities (B)	11,62,12,248
Net Tangible Assets (A-B=C)	28,72,80,422
Number of Ordinary Shares (D)	2,00,00,000
Net Tangible Assets per Shares (C/D)	14.36

OWNERSHIP OF THE COMPANY'S SECURITIES

Share holding position as on 06/03/2010 as per Schedule XV.

SL	Name	Address	Status	No of Shares	Percent age of owners hip	Last acquisition date	Expire date of lock-in
1	Swadesh Investment Management Ltd.	Suite-01,Level-11, Unique Trade Centre 8 Panthapath, Kawran Bazar,Dhaka-1215.	Shareholder	400,000.00	1.6667	8.12.2009	16.7.2011
2	Mr.AKM Badiul Alam	House-SWZ-2B,Road-5,Gulshan, 1Dhaka	Shareholder	100,000.00	0.4167	8.12.2009	16.7.2011
3	Mr.Md. Shariful Islam	Shanewaz Bhabon,Room-707,9/C Motijheel,Dhaka.	Shareholder	150,000.00	0.6250	8.12.2009	16.7.2011
4	Mr.Jasim Uddin	House-43,Road-14/B,Block-G,Niketon Gulshan,Dhaka.	Shareholder	100,000.00	0.4167	8.12.2009	16.7.2011
5	Mr. Falah Uddin Ali Ahmed	1 Ali Biponi,Khalighat,Sylhet.	Shareholder	100,000.00	0.4167	8.12.2009	16.7.2011
6	Ms. Syeda Kajori Kamal	House-310,Road-4,Baridhara, DOHS.Dhaka.	Shareholder	100,000.00	0.4167	8.12.2009	16.7.2011
7	Mr. Khalid Hossain Khan	House-50,Road-3,Block-B,Niketon,Gulsan, Dhaka.	Shareholder	1,000,000.00	4.1667	8.12.2009	16.7.2011
8	Ms. Mahfuza Rahman	Road-4,House-5,Sec-6,Uttara,Dhaka.-1230	Shareholder	250,000.00	1.0417	8.12.2009	16.7.2011
9	Mr. Sayadur Rahman	Flat-B-1, 42/A Sagun Bagicha,Dhaka	Director	780,000.00	3.2500	8.12.2009	16.7.2013
10	Mr. S.M. Aminur Rahman	A/6 Century Estate Apt.,Bara Moghbazar,Dhaka.	Shareholder	125,000.00	0.5208	8.12.2009	16.7.2011
11	Mr.Bodruddoza Md.Farhad Hussain	House-53,Flat-2/A,Road-2,Sector-13,Uttara, Dhaka.	Shareholder	300,000.00	1.2500	8.12.2009	16.7.2011

12	Ms.Shahela Naushad Haque	House-22/A,Road-15,Sector-4,Uttara,Dhaka.	Shareholder	200,000.00	0.8333	8.12.2009	16.7.2011
13	Mr.Md.Golam Sarwar	House-478/1-C,Plot-C-44,(North),Khilgaon,Dhaka.	Shareholder	20,000.00	0.0833	8.12.2009	16.7.2011
14	Md. Nazrul Islam	8,Siddeswari Lane,Dhaka.	Shareholder	100,000.00	0.4167	8.12.2009	16.7.2011
15	Mr.Daud Ahmed Sikder	Road-8/A,House-75,Flat-C3E,Dhanmondi,Dhaka.	Shareholder	20,000.00	0.0833	8.12.2009	16.7.2011
16	Mr.Afroza Khatun	Plot-24,Block-A,Sec-11,Flat-6/B, Mirpur,	Shareholder	30,000.00	0.1250	8.12.2009	16.7.2011
17	Mr.Ahmad Tarik Kabir	29West Malibag,(1st floor)Dhaka.	Shareholder	10,000.00	0.0417	8.12.2009	16.7.2011
18	Ms.Sukla Roy	183,Tejgaon,Dhaka.	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
19	Mr. Dilip Roy	37/2,Purana Palton,Dhaka.	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
20	Mr. Milton Kumar Roy	1/F,Free School Street,73Sonargaon Road,Dhaka.	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
21	Ms.Most. Afroza Akter	77,R.K Mission Road,Dhaka.	Shareholder	30,000.00	0.1250	8.12.2009	16.7.2011
22	Mr. Abdulla-Al-Mahmud	281/3,Jafrabad(Sankor),Dhaka-1209	Shareholder	15,000.00	0.0625	8.12.2009	16.7.2011
23	Mr. Anup Kumar Saha	395/1,New Eskaton Road, Moghbazar, Dhaka.	Shareholder	10,000.00	0.0417	8.12.2009	16.7.2011
24	Mr.M.A.Motin	15/2,Zigatola,Dhanmondi,Dhaka.	Shareholder	20,000.00	0.0833	8.12.2009	16.7.2011
25	Mr. Anwarul Islam	380/15/C,East Rampura,Kunjobon, Dhaka.	Shareholder	45,000.00	0.1875	8.12.2009	16.7.2011
26	Mr.Awlad Hossain	DGM, MD's Secretariat,Janata Bank Bhabon, Motijheel,Dhaka	Shareholder	30,000.00	0.1250	8.12.2009	16.7.2011
27	Mr.Munzural Alam	233/1, West Shantibagh, Dhaka.	Shareholder	90,000.00	0.3750	8.12.2009	16.7.2011
28	Mr.Abdus Subhan Mia	249/1/A/5, South Jatrabari, Dhaka.	Shareholder	115,000.00	0.4792	8.12.2009	16.7.2011

29	Mr.Shapan Kumar Shaha	64/Uma, R K Mission Road, 3rd Floor, Georje Lane, Gopibag, Dhaka-1203.	Shareholder	770,000.00	3.2083	8.12.2009	16.7.2011
30	Mr.Syed Abul Forhad	76/C, Nayapalton, 1st Floor, Dhaka-1000	Shareholder	990,000.00	4.1250	8.12.2009	16.7.2011
31	Mrs.Nurjahan	H# 11B, Road # 57, Gulshan-2, Dhaka-1212	Shareholder	490,000.00	2.0417	8.12.2009	16.7.2011
32	Mrs.Amar Chandra Saha	55/13, S.M.Maleh Road, Tanbazar Saha Para, Tanbazar, Narayangong.	Shareholder	250,000.00	1.0417	8.12.2009	16.7.2011
33	Mrs.Anwar-uz-zaman	Apt-A3, House No-5, Road no 8, Sector 3, Uttara, Dhaka	Shareholder	170,000.00	0.7083	8.12.2009	16.7.2011
34	Beacon Pharmaceuticals Ltd.	153-154,Tejgaon,Dhaka.	Shareholder	200,000.00	0.8333	8.12.2009	16.7.2011
35	Mr.Zaiuddin Thakur	Orion House, 153-154,Tejgaon,Dhaka.	Shareholder	100,000.00	0.4167	8.12.2009	16.7.2011
36	Ms.Poly Chakraborty	Bandhan Bastralaya,Kapura Potty,Noagaon.	Shareholder	500,000.00	2.0833	8.12.2009	16.7.2011
37	Mr.A.B.M Jamaluddin	House-10,Road-26,Block-D,Section-10,Mirpur,Dhaka.	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
38	Mr.Nurul Islam	House-10,Road-26,Block-D,Section-10,Mirpur,Dhaka.	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
39	Mr.Sifaquat Hussain	Tanaka Tower(2nd floor),42/1/gha,Sagun Bagicha,Dhaka-1000.	Director	100,000.00	0.4167	8.12.2009	16.7.2013
40	Dr Mohiuddin Khan Alamgir	House-16,Road-25,Block-A,Banani,Dhaka.	Shareholder	200,000.00	0.8333	8.12.2009	16.7.2011
41	Mr.Adeeb Mohammad Tawseef	Greenway, 493 Boro Mogbazar, Dhaka 1217	Shareholder	480,000.00	2.0000	8.12.2009	16.7.2011
42	Md. Moslehuddin	Flat -3/1204, Eastern tower, 20 new Eskaton road , Dhaka	Chairman	500,000.00	2.0833	8.12.2009	16.7.2013
43	Mr.Jewel Khan	16 rankin street, latif tower flat 10b, wari Dhaka	Shareholder	500,000.00	2.0833	8.12.2009	16.7.2011
44	Mr.Md.Zia Uddin	84,Ali Bahar,Shaympur,Dhaka	Director	14,40,000.00	6.0000	26.6.2005	16.7.2013

45	Mr.Ekramul Haque	56-57, Siddeshoari, Ramna, Dhaka	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
46	Mr. Abdul Hakim	Excellent Motors Ltd. 46/A, VIP Road, Kakrail, Dhaka.	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
47	Mrs. Zohora Baker	34, Ahsan Ahmed Road, Khulna	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
48	Mrs. Romana Sharmin	169/1, Elephant Road, Dhaka	Shareholder	20,000.00	0.0833	8.12.2009	16.7.2011
49	Swadesh Investment Investors Account	Suite-01, level-11, Unique Trade Centre, 8 Panthopath, Karwan Bazar, Dhaka-1215.	Shareholder	10,000.00	0.0417	8.12.2009	16.7.2011
50	Mrs. Rashida Kabir	314/2, South Manikde, Dhaka Cantonment, Dhaka	Shareholder	80,000.00	0.3333	8.12.2009	16.7.2011
51	Mrs.Abdul Hamid	28/B, Satish Sarker Road, Gandaria, Dhaka	Shareholder	3,90,000.00	1.6250	8.12.2009	16.7.2011
52	Mr.Md.Afzal	52,Nasiruddin Sarder Lane,Dholaikhal,Dhaka.	Director	980,000.00	4.0833	8.12.2009	16.7.2013
53	Mr.Md. Abdul Mojid	1 Greenway, 493 Boro Mogbazar, Dhaka 1217	Shareholder	20,000.00	0.0833	8.12.2009	16.7.2011
54	Mr.Md.Arifur Rahman	Room-308,2nd floor,135/B Sarder Kolony, South Kamlapur,Dhaka.	Shareholder	70,000.00	0.2917	8.12.2009	16.7.2011
55	Mr. Khandaker Ishtique Ahmed	House-6/B, Mominbagh, Rajarbagh, Dhaka	Shareholder	50,000.00	0.2083	8.12.2009	16.7.2011
56	Mr. S.M Saifur Rahman	Nasreen Villa, 8 Baily Road, Dhaka	Managing Director & Director	3,840,000.00	16.0000	26.6.2005	16.7.2013
57	Mr.Al Haj Saydur Rahman	Nasreen Villa, 8 Baily Road, Dhaka	Shareholder	3,160,000.00	13.1667	8.12.2009	16.7.2013
58	Mr. Shamsuddoha Tapos	26/10,Kalichoron,ShahaRoad, Faridabad,Dhaka.	Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011
59	Ms. Nargish Akter	1,Zindha Bahar, 2nd Lane,Babu Bazar,Dhaka-1100	Shareholder	120,000.00	0.5000	6.3.2010	16.7.2011
60	Mr. Abul Khair	House-15, Road-1, Block-1, Nikaton R/A, Gulshan, Dhaka-1212.	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
61	Mr.Md. Alamgir Mia	464/3 South Kafrul, Dhaka Cantonment, Dhaka.	Shareholder	100,000.00	0.4167	6.3.2010	16.7.2011

62	Mr.Sohail Humayun	House no-26, Road no-7,Baridhara, Dhaka.	Shareholder	500,000.00	2.0833	6.3.2010	16.7.2011
63	Mr.Ishtiyak Ahmed Chowdhury	Flat no-4A, 70 Park Road, Baridhara, Dhaka.	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
64	Janata Bank Merchant Banking Unit	57,Purana paltan,Dhaka.	Shareholder	650,000.00	2.7083	6.3.2010	16.7.2011
65	Mr.Md. Munzurul Alam	233/1,west shantibagh,Dhaka.	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
66	Mr.Sayma Ali Tanni	59/4/2,North Basabo,Dhaka.	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
67	Mr.SK. Md Saifullah	Janata Bank Ltd.H.o.Dhaka,	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
68	Janata Bank Ltd.(Own Portfolio)	H.O.110,Motihheel, Dhaka.	Shareholder	400,000.00	1.6667	6.3.2010	16.7.2011
69	Mr.Fakir Kamrul Hossain	Vill:Jamalpur,P.O-Bhowal Jamalpur,Kaligong,Gazipur.	Shareholder	100,000.00	0.4167	6.3.2010	16.7.2011
70	Miss Nazia Rahman	34/1Yunus sarder Road, Tongi,Gazipur.	Shareholder	15,000.00	0.0625	6.3.2010	16.7.2011
71	Mr.Sakib bin Amin	A/6,Century estate apartment Baro Moghbazar,Dhaka	Shareholder	100,000.00	0.4167	6.3.2010	16.7.2011
72	Mrs.Salma Islam	H-2, R-1/1, Shekertake, Mohammadpur,Dhaka	Shareholder	40,000.00	0.1667	6.3.2010	16.7.2011
73	Mr.Md. Mosaddake-ul-Alam	129/3, Elephant Road,1st floor, Dhaka	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
74	Mr.Daud Ahmed Sikder	Janata bank, Head office, Dhaka	Shareholder	30,000.00	0.1250	6.3.2010	16.7.2011
75	Mr.MHM. Jahangir	114/A, West kafrul, Agargaon, Dhaka	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
76	Mr.Nazrul Islam Bhuyan	57, Purana paltan, Dhaka	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
77	Mr.Md. Nandit Rahman	34/1, Younus sardar Road, Tongi, Gazipur	Shareholder	15,000.00	0.0625	6.3.2010	16.7.2011
78	Mr.Md. Ayet Ali	Janata Bank Head office, Dhaka	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011

79	Mr.Md. Golam Sarwar	478/1-C, Khilgaon, Dhaka	Shareholder	30,000.00	0.1250	6.3.2010	16.7.2011
80	Mr.Md. Zakir Hossain	H-565, Ashkona, New airport Road, Hazi camp, Dhaka	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
81	Mr.Zariatul Qader	Flat no - A/13, Rangs Hafiz tower, 65-66, Siddeshwari, Dhaka-1217	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
82	Mrs.Banani Saha	7/G/B Bashbari, Mohammadpur, Dhaka	Shareholder	15,000.00	0.0625	6.3.2010	16.7.2011
83	Mr.Swapan Kumar Saha	7/G/B Bashbari, Mohammadpur, Dhaka	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
84	Mr.Md. Rejuanul Hoque Chowdhury	HQ, 21 Infantry Brigade, Jessore Cantonment Jessore	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
85	Mr.Md.Anisur Rahman	104, Sher-e-Bangla Road,Mohammadpur, Dhaka	Shareholder	25,000.00	0.1042	6.3.2010	16.7.2011
86	Mr.Md.Mahmud Hasan	BASIC Bank Ltd. Dilkusha Branch, Dhaka	Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011
87	Rifah Corporation	House no:36, Road no:1, Block:A,Banasree,Rampura,Dhaka.	Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011
88	Mr.Mazharul Kabir	North Masdari (Gabtali),Narayangong-1421	Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011
89	Mr.Munir Ahmed Morshed	House no:25,Road no:11, PC Culture Housing Society, Kha Block,Dhaka.	Shareholder	100,000.00	0.4167	6.3.2010	16.7.2011
90	Mr.Md.Zulfikar Ali	45/K, Shahid Moynul Road, Dhaka Cantonment,Dhaka.	Shareholder	30,000.00	0.1250	6.3.2010	16.7.2011
91	Mrs.Rowshan Ara	273/4,Ahmed Nagar,Paik para, Mirpur-1,Dhaka-1216.	Shareholder	150,000.00	0.6250	6.3.2010	16.7.2011
92	Mr.Ahmed Kabir Majumder	Bhuyain Mansion,Room no:12/A(2nd Floor), 6 Motijheel,Dhaka-1000.	Shareholder	120,000.00	0.5000	6.3.2010	16.7.2011
93	Mr.Manzuman Ara	223/5(2nd floor)BCS Computer City, IDB Bhaban,Dhaka.	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
94	Mr.Azim Uddin Ahmed	223/5(2nd floor)BCS Computer City, IDB Bhaban,Dhaka.	Shareholder	45,000.00	0.1875	6.3.2010	16.7.2011
95	Mrs.Ishrat Jahan	223/5(2nd floor)BCS Computer City,	Shareholder	15,000.00	0.0625	6.3.2010	16.7.2011

		IDB Bhaban,Dhaka.					
96	Mr.Mahbuba Mizan	House no:43,Road no:11, Block-F,Banani,Dhaka-1213	Shareholder	30,000.00	0.1250	6.3.2010	16.7.2011
97	Frontier Investment(Bangladesh)Ltd.		Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011
98	Mr.Md.Abdul Monaf Patwary	B-16,E-3,Motijheel Colony,Al-Helal Zone,Dhaka.	Shareholder	30,000.00	0.1250	6.3.2010	16.7.2011
99	Mr.Md.Aminul Bar Chowdhury	56,Azimpur Govt. Quarter,Dhaka-1000	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
100	Mr.Mizanur Rahman	House-Baikaly-2,Road no:7,Dhanmondi Officers Quarter, Dhanmondi, Dhaka.	Shareholder	7,500.00	0.0313	6.3.2010	16.7.2011
101	Mrs.Sadia Afroz Mazumder	House no:29,Road no:6, Block-B,Banashree,Rampura,Dhaka.	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
102	Selina Alam	House-266,Road-6, CDA R/A, Chittagong.	Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011
103	Mr.Shegufta Anam	Apt.-603,House-3,Road-78,Gulshan,Dhaka.	Shareholder	100,000.00	0.4167	6.3.2010	16.7.2011
104	Mr.Md.Afzal Hossain	42,Al-Amin Road,Khalabagan,Dhaka.	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
105	Mr.Md.Nazrul Islam	8,Siddeswari lane,Dhaka	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
106	Mrs.Tabassum Iftakhar	House-34/A,Road-10/A,Dhanmondi R/A, Dhaka-1209	Shareholder	60,000.00	0.2500	6.3.2010	16.7.2011
107	Mrs.Rebeka Sultana	Road,Zigatola,Dhanmondi,Dhaka	Shareholder	30,000.00	0.1250	6.3.2010	16.7.2011
108	Mr.Ali Imam	168/A,Green Road,Dhaka.	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
109	Ms. Fatima Begum	House-18,Road-1,Block- B,Nikaton,Gulshan1,Dhaka.	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
110	Mrs.Monira Akhter	House-50,Road-3,Block-3,Nikaton, Gulsan,Dhaka.	Shareholder	200,000.00	0.8333	6.3.2010	16.7.2011
111	Mrs.Tasneem Afroze	Room # 601, Dhaka Stock Exchange Building,9/F,Motijheel, C/A , Dhaka -1000	Shareholder	50,000.00	0.2083	6.3.2010	16.7.2011

112	Eastern Bank Limited.	Jiban Bima Bhaban, 10, Dilkusha C/A, Dhaka	Shareholder	250,000.00	1.0417	6.3.2010	16.7.2011
113	Mr.Md.Rejaul Karim	242/A,FreeSchoolStreet,2ndfloor,KathalBagan,Dh aka-1205.	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
114	Mr.Md.Khalilur Rahman	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	7,000.00	0.0291	6.3.2010	16.7.2011
115	Mr.Md Rafikul Islam	Gardenia,20/1 Eskaton Garden,Apt.No-A-3,Ramna,Dhaka.	Shareholder	1,000.00	0.0042	6.3.2010	16.7.2011
116	Mr.Debashis Das Gupta	NurVilla(G-F)18/1-Kha,K.M.Dash Lane,Tikatuli,Sutrapur,Dhaka.	Shareholder	1,000.00	0.0042	6.3.2010	16.7.2011
117	Mr.Md. Anisur Rahman	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	500.00	0.0021	6.3.2010	16.7.2011
118	Mr.Mir.Faruk Hossain	Vill-Rahamatpur, P S-Chitalmari,Dist-Bagharhat.	Shareholder	500.00	0.0021	6.3.2010	16.7.2011
119	Mr.Qazi Shamsul Haque	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	1500.00	0.0062	6.3.2010	16.7.2011
120	Mr.Md. Shaiful Islam	C/o. Md. Ekram Uddin,70/13 North Mugda Para Flat No-2A(1st Floor).Dhaka-1214	Shareholder	2,000.00	0.0083	6.3.2010	16.7.2011
121	Mr.Md.Mostafizur Rahman	122/5, East Rampura (1st Floor)Dhaka-1219	Shareholder	2,000.00	0.0083	6.3.2010	16.7.2011
122	Mr.Md.Asaduzzaman	House# 43,Road# 5(4Th Floor) , PC Culture Housing Socity,Shekhertek,Mohammadpur, Dhaka-1207	Shareholder	2,000.00	0.0083	6.3.2010	16.7.2011
123	Mr.Md.Mahbobur Rahman(Jewel)	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	2,000.00	0.0083	6.3.2010	16.7.2011
124	Mr.Md.Abul Kashem	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	2,000.00	0.0083	6.3.2010	16.7.2011
125	Mr.Md. Belal	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	500.00	0.0021	6.3.2010	16.7.2011
126	Mr.A.Halim Khan	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	500.00	0.0021	6.3.2010	16.7.2011

127	Mr.Md. Mahabubur Rahman	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	500.00	0.0021	6.3.2010	16.7.2011
128	Mr.Kwaser	Active Fine Chemical Ltd Tanaka Tower(2nd floor)42/1/Gha,Segun Bagicha.Dhaka-1000	Shareholder	102,500.00	0.4270	6.3.2010	16.7.2011
129	Mr.Subrata Chakraborty	1070 East Shawrapara.Mirpur,Dhaka-1216	Shareholder	2,000.00	0.0083	6.3.2010	16.7.2011
130	Mr.S.M Delwar	C/O,Gias Uddin Ahmed,29,Dina Nath Sen Road, Gandaria,Dhaka-1204	Shareholder	5,000.00	0.0208	6.3.2010	16.7.2011
131	Mr.Prodip Kumar Roy	195/4-B,Tejkunipara,(2 nd Floor),Tejgaon,Dhaka.	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
132	Mr.Md.Mahfuzur Rahman	Swapnapuri Tower, Flat-B/6,Plot-24,Main Road-3, Block-A,Dhaka.	Shareholder	60,000.00	0,2500	6.3.2010	16.7.2011
133	Mr.Md.Abul Kalam Azad	House-11, 3 rd Floor, Avenue-3,Block-G,Section-1, Mirpur,Dhaka.	Shareholder	20,000.00	0.0833	6.3.2010	16.7.2011
134	Mrs.K.H.Fahima Alam	152/2,Green Road,Dhaka-1205	Shareholder	10,000.00	0.0417	6.3.2010	16.7.2011
		Total		24,000,000	100		

Securities of the Company owned by the Directors:

Securities owned by each Director are given below:

SL	Name	Address	Position	No of Shares	Percentage
1	Md. Moslehuddin	Flat -3/1204, Eastern tower, 20 New Eskaton Road , Dhaka	Chairman	500,000	2.08%
2	Mr. S.M Saifur Rahman	Nasreen Villa, 8 Baily Road, Dhaka	Managing Director	3,840,000	16%
3	Md.Afzal	52,Nasiruddin Sarder Lane,Dholaikhal,Dhaka.	Director	980,000	4.08%
4	Md.Ziauddin	84,Ali Bahar,Shaympur,Dhaka	Director	14,40,000	6.00%
5	Mr.Sifaquat Hussain	Tanaka Tower(2nd floor),42/1/gha,Sagun Bagicha,Dhaka-1000.	Director	100,000	0.42%
6	Mr. Sayadur Rahman	Flat-B-1, 42/A Sagun Bagicha,Dhaka	Director	7,80,000	3.25%

Securities of the Company owned by top ten salaried officers and all other officers as a group:

Securities owned by salaried officers are given below:

SL	Name of top ten salaried officer	Address	Position	No of Shares	Percentage
1	Mr.Sifaquat Hussain	Tanaka Tower(2nd floor),42/1/gha,Sagun Bagicha,Dhaka-1000.	Director	1,00,000	0.42%
2	Mr. A.B.M Jamaluddin	House-10,Road-26,Block-D,Section-10,Mirpur,Dhaka.	Sales & Marketing	50,000.	0.21%
3	Mr. Prodip Kumar Roy	195/4-B,Tejkunipara,(2 nd Floor), Tejgaon, Dhaka.	Head of Finance & Company Secretary	10,000	0.04%
4	Mr. Nurul Islam	House-10,Road-26,Block-D,Section-10,Mirpur,Dhaka.	V.P (Sales & Marketing)	50,000	0.21%

Other than the above four officers 23,000 shares are held by all other officers (15 nos.) as a group which is 0.10% of outstanding shares as on 6/3/2010.

Section-IX

FEATURES OF IPO

DETERMINATION OF OFFERING PRICE

The offering of the common stock of Active Fine Chemicals Ltd. has been determined by assessing the Net Assets Value (NAV). The financial calculation presented below is from the Audited Accounts as on 31/12/2009.

Particulars	Amount in Taka. As on 31/12/2009
<u>Assets:</u>	
Fixed Assets at cost less depreciation	33,48,33,141
Current Assets	6,86,59,529
Total Assets (A)	40,34,92,670
<u>Liabilities</u>	
Non Current Liabilities	8,10,85,969
Current liabilities	3,51,26,279
Total Liabilities (B)	11,62,12,248
Net Tangible Assets (A-B=C)	28,72,80,422
Number of Ordinary Shares (D)	2,00,00,000
Net Tangible Assets per Shares (C/D)	14.36

We have examined the above calculation of Net Assets Value (NAV) of Active Fine Chemicals Ltd. which appears to be correct.

Sd/-

Date: 18th March, 2010
Dhaka

Khan Wahab Shafique Rahman & Co
Chartered Accountants

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to the all the stock exchanges in Bangladesh within 7(seven) working days from the date of consent accorded by the Commission to issue prospectus.

Dhaka Stock Exchange Limited (DSE)

9/F, Motijheel C/A, Dhaka-1000

And

Chittagong Stock Exchange Limited (CSE)

CSE Building, 1080 Sk. Mujib Road

Agrabad C/A, Chittagong

“Declaration about Listing of Shares with the Stock Exchange(s):

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the company.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, Voting, Preemption Right

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors & Auditors and other usual agenda of General Meeting, Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital the existing share holders shall be entitled to Right Issue of shares of in terms of the guide lines issued by the SEC from time to time.

Conversion & Liquidation Right

If the company at any time issues convertible preference shares or Debenture with the consent of SEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.

Dividend Policy

- a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, will be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- b) No larger dividend will be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- c) No dividend will be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of Shares will not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment of dividend.

OTHER RIGHTS OF SHARE HOLDERS

In terms of the provisions of the Company's Act, 1994, Articles of Associations of the Company and other relevant rules in force, the shares of the company are transferable. The company shall not charge any fee, other than Govt duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The shareholders will have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors will present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders will be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company will have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

DEBT SECURITIES

There is no debt securities issued by the company and is not planning to issue any of such securities within next six months.

Section-X

UNDERWRITING OF SHARES

As per Securities and Exchange Commission's guideline 50% of the Public Offer of 1,60,00,000 ordinary share i.e., 80,00,000 ordinary shares of TK. 10.00 each at par i.e., for TK. 8,00,00,000.00 will be Underwritten by the following Underwriters for the IPO of Active Fine Chemicals Limited with the underwriting Commission @ 0.50% (zero point fifty percent) .

Sl. No	Name of Underwriter	Number of Shares	Amount in Tk.
1	Janata Bank Limited	40,00,000	4,00,00,000/-
2	Eastern Bank Limited	20,00,000	2,00,00,000/-
3	ICB Capital Management Limited	20,00,000	2,00,00,000/-

No additional commission will be paid on the amount of shares required to be subscribed by the underwriter.

1. If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing to subscribe the shares not so subscribed and ask the underwriter to pay for them in cash in full within 15 (fifteen) days of the date of said notice and said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited.
3. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of share money by the underwriters, to the Commission.
4. In the case of failure by any underwriters to pay for the Shares within the stipulated time, the company or issuer will be no obligation to pay any underwriting commission under this agreement.
5. in case of failure by the company through call upon the underwrites for the aforementioned purpose within the stipulate time, the company and its Directors shall individually and collectively be held responsible for consequence and /or penalties as determined by the Securities and Exchange Commission under the law.

RELATIONSHIP OF OFFICER OR DIRECTOR OF THE UNDERWRITERS ACTING AS DIRECTOR OF THE COMPANY

No officer or director of the underwriters is presently engaged as the Director of the company.

Section-XI

LOCK-IN PROVISION SHARE

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the person, other than directors and those who hold 5% or more, who has subscribed to the shares of the Company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation whichever comes later. Details of expire date of lock-in shown in Ownership of Companies Securities part in this Prospectus.

REFUND OF SUBSCRIPTION MONEY

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

(a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.”

SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”.

2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned below, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Form.

AVAILABILITY OF SECURITIES

1. IPO will be 1,60,00,000 Ordinary shares of tk.10.00 each totaling tk. 16,00,00,000 and the allocation would be made in the following manner:

	Securities	Numbers of Shares	Total Amount (Tk)
a)	10% of the Issue i.e. 16,00,000 ordinary shares @ TK. 10 each shall be reserved for Non – resident Bangladeshis.	16,00,000	1,60,00,000
b)	10% of the Issue i.e. 16,00,000 ordinary shares @ TK. 10 each shall be reserved for Mutual Funds and collective investment schemes registered with the commission.	16,00,000	1,60,00,000
c)	The remaining 80% i.e. 1,28,00,000 ordinary Sharers @ Tk. 10 each shall be open for subscription by general public.	1,28,00,000	12,80,00,000
Total		1,60,00,000	16,00,00,000

2. All as stated in 1 (A), 1(B), 1(C) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in the clause 1 (A) ,1(B), and 1(C) the Issue Manger shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.

4. In case of under-subscription under any of the 10% category as mentioned in clause 1(A) and 1(B), the unsubscribed portion shall be added to the general public category, and, if after such addition, there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.

5. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).

6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.

Allotment

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.

The company shall issue share allotment letter to all successful applicants, within 5(five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (fi ve) weeks from the closing of the subscription date, by Account Payee

Cheque, without interest payable at Dhaka/Chittagong/Khulna/Rajshahi/ Barisal/Sylhet as the case may be.

Where allotment is made, in whole or in part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.

APPLICATION FOR SUBSCRIPTION

01. Application for Shares may be made for a minimum lot of 500 (Five Hundred) Ordinary Shares to the value of Tk. 5,000.00 and should be made on the Company's Printed Application forms. Application forms and the Prospectus may be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants may use photocopied/cyclostyled/typed/handwritten copies of the forms. Application must not be for less than 500 Shares. Any application not meeting the criterion will not be considered for allotment purpose.

02. Joint Application form for more than two persons will not be accepted. In the case of a joint Application each party must sign the Application form.

03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by Memorandum and Articles of Association.

04 An applicant cannot submit more than two applications, one in his own name and another jointly with another person. In case an applicant makes more than two applications, all the application will be treated as invalid and will not be considered for allotment purpose. In addition whole or part of application money may be forfeited by the Commission.

05. Bangladeshi Nationals (including Non-Resident Bangladeshis residing/working abroad) and Foreign Nationals will be entitled to apply for Shares.

06. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches/office of the Banks mentioned below in Cash/Cheque/Pay Order/Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked **Active Fine Chemicals Limited** and shall bear the crossing "Account Payee only" and must be drawn on a Bank in the same town of the Bank to which application form is deposited.

07. All completed application forms, together with remittance for the full amount payable on application, will be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

08. A Non-Resident Bangladeshi (NRB) will apply for the IPO either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for may be paid in Taka, US Dollar or UK Pound

Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over subscription of Shares will be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB will be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and on the website of the SEC, Issuer Company, Issue Managers, DSE and CSE.

09. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's **STD Account No. 36002074 with Janata Bank, Principal Branch .**

10. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling, Euro shall be deposited to below mention "FC Account(s) opened by the company for IPO purpose.

SI No	Name of the F C Account	Account No	Bank & Branch
1	U S Dollar	42072458	Janata Bank, Principal Branch.
2	U K Pound	44002553	Janata Bank, Principal Branch.
3	Euro	417	Janata Bank, Principal Branch.

11. In the case of over subscription of securities to the NRB applicants, refund shall be made by company out of the " FC Account for IPO NRB Subscription." Active Fine Chemicals Ltd. has already opened the aforesaid FC Account & Current Account and shall close these accounts after refund of over subscription, if any.

12.APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

TRADING AND SETTLEMENT

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company

The issue shall be placed in Category "N" with DSE and CSE

BANKERS TO THE ISSUE

<p><u>Janata Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Kamal Attatuk Avenue Branch, Dhaka 2. Dhanmondi Branch, Dhaka 3. Elephant Road Branch, Dhaka 4. Gulshan Branch, Dhaka 5. Uttara Model Town Corporate Branch, Dhaka 6. Mohakhali Corporate Branch, Dhaka 7. Shantinagar Branch, Dhaka 10. Motijheel Corporate Branch, Dhaka 8. Dhaka University Campus Branch, Dhaka 9. Rajarbag Corporate Branch, Dhaka 11. B.B Road Corporate Branch, Dhaka 12. Khulna Corporate Branch, Khulna 13. Sheikh Mujib Road Corporate Branch, Chittagong 14. Potia Branch, Chittagong 14. Rajsgahi Corporate Branch, Rajshahi 15. Comilla Corporate Branch, Comilla 	<p><u>FIRST SECURITY ISLAMI BANK LTD.</u></p> <ol style="list-style-type: none"> 1. Dilkusha Branch ,Dhaka 2. Mohakhali Branch, Dhaka 3. Bangshal Branch , Dhaka 4. Dhanmondi Branch , Dhaka 5. Gulshan Branch, Dhaka.. 6. Motijheel Branch, Dhaka. 7. Ring Road Brach , Dhaka 8. Banoshree Branch, Rampura, Dhaka. 9. Khatungonj Branch , Chittagong 10. Agrabad Branch , Chittagong . 11. Jubilee Road Br. Chittagong 12. Andar Killah Branch, Chittagong. 13. Khulna Branch, Khulna 14. Jessore Branch , Jessore. 15. Topkhana Road Branch, Dhaka <p><u>One Bank Ltd</u></p> <ol style="list-style-type: none"> 1. Principal Branch, Dhaka. 2. Kawran Bazar Branch, Dhaka. 3. Motijheel Branch. Dhaka. 4. Gulshan Branch, Dhaka. 5. Uttara Branch. Dhaka. 6. Agrabad Branch, Chittagong. 7. Khatunganj Branch, Chittagong. 8. Nanupur Bazar Branch, Chittagong. 9. Jubilee Road Branch, Chittagong. 10. Sylhet Branch, Sylhet. 11. Bogra Branch, Bogra. 	<p><u>United Commercial Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Principal Branch, Dhaka 2. Kawran Bazar Branch, Dhaka 3. Gulshan Branch, Dhaka 4. Faridpur Branch, Faridpur 5. Foreign Exchange Branch, Dhaka 6. Mohakhali Branch, Dhaka 7. Dhanmondi Branch, Dhaka 8. Banani Branch, Dhaka 9. Gulshan Avenue Branch, Dhaka 10. Khatungonj Branch, Chittagong 11. Agrabad Branch, Chittagong 12. Chowmuhani Branch, Feni 13. Jublee Road Branch, Chittagong 14. Sylhet Branch, Sylhet 15. Shahjalal Upashahar, Branch, Sylhet 16. Bogra Branch, Bogra
<p><u>Southeast Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Principal Br. Dhaka 2. Corporate Br. Dhaka 3. Dhanmondi Br. Dhaka 4. Uttara Br. Dhaka 5. New Elephant Road Br. Dhaka 6. Gulshan Br. Dhaka 7. Kakrail Br. Dhaka 8. New Eskaton Br. Dhaka 9. Agargaon Br. Dhaka 10. Motijheel Br. Dhaka 11. Shyamoli Br. Dhaka 12. Kawran Bazar Br. Dhaka 13. Satmashjid Road Branch, Dhaka 14. Bandar Bazar Br. Sylhet 15. Moulvibazar Br. Moulvibazar 16. Agrabad Br. Chittagong 17. Khatunganj Br. Chittagong 18. Jubilee Road Br. Chittagong 19. Halishahar Br. Chittagong 20. Cox's Bazar Br. Cox's Bazar 21. Feni Br. Feni 22. Bogra Br. Bogra 23. Khulna Br. Khulna. 24. Barisal Branch. 25. Rajshahi Branch, Rajshahi. 	<p><u>Dutch- Bangla Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Local Office, Dilkusha, Dhaka 2. Motijheel F. Ex. Branch, Dhaka 3. Nababpur Branch, Dhaka 4. Banani Branch, Dhaka 5. Kawran Bazar Branch, Dhaka 6. Shantinagar Branch, Dhaka 7. Dhanmondi Branch, Dhaka 8. Narayanganj Branch, Narayanganj 9. Agrabad Branch, Chittagong 10. Mohakhali Branch, Dhaka 11. Gulshan Branch, Dhaka 12. Uttara Branch, Dhaka 13. Khulna Branch, Khulna 14. Sylhet Branch, Sylhet 15. Bogara Branch, Bogra 16. Barisal Branch, Barisal 17. Moulavi Bazar Branch, Sylhet 18. Rajshahi Branch, Rajshahi 19. Khatungonj Branch, Chittagong 20. Mirpur Circle -10 Branch, Dhaka 21. Chhatak Branch, Sunamganj 	<p><u>Investment Corporation of Bangladesh (ICB)</u></p> <ol style="list-style-type: none"> 1. Head Office, Dhaka 2. Local Office, Dhaka 3. Chittagong Br. Chittagong 4. Rajshahi Br. Rajshahi 5. Sylhet Br. Sylhet 6. Bogra Br. Bogra 7. Khulna Br. Khulna 8. Barisal Br. Barisal <p><u>National Bank Limited</u></p> <ol style="list-style-type: none"> 1. Agrabad branch, Chittagong. 2. Anderkillah Branch, Chittagong 3. Motijheel Branch, Dhaka 4. Dhanmondi Branch, Dhaka 5. Dilkusha Branch, Dhaka 6. Elephant Road Branch, Dhaka 7. Gulshan Branch, Dhaka 8. Imamganj Branch, Dhaka 9. Jatrabari Branch, Dhaka 10. Jublee Road Branch, Chittagong. 11. Kawran Bazar, Branch, Dhaka 12. Khatunganj Branch, Chittagong 13. Narayanganj Branch, Dhaka 14. Uttara Branch, Dhaka
<p><u>NCC Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Motijheel Branch ,Dhaka 2. Kawran Bazar Branch, Dhaka 3. Dilkusha Branch ,Dhaka 4. Mirpur Branch , Dhaka 5. Dhanmondi Branch , Dhaka 6. Uttara Branch , Dhaka 7. Moghbazar Branch ,Dhaka 8. Bangshal Branch , Dhaka 9. Agrabad Branch , Chittagong . 10. Khatungonj Branch , Chittagong. 12. Jubilee Road Br. Chittagong 13. Gulshan Branch , Dhaka. 14. Shyamoli Branch , Dhaka 15. Banani Branch , Dhaka 16. Bogra Branch , Bogra 17. Comilla Branch , comilla 18. Khulna Branch , Khulna 	<p><u>Eastern Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Principal Branch, Dhaka 2. Motijheel Branch, Dhaka 3. Mirpur Br. Dhaka 4. Bashundhara Branch, Dhaka 5. Shyamoli Branch, Dhaka 6. Narayanganj Br., Narayanganj 7. Agrabad Branch , Chittagong 8. Khatunganj Branch , Chittagong 9. Bogra Branch, Bogra 10. Khulna Branch, Khulna 11. Rajshahi Branch, Rajshahi 	<p><u>IFIC Bank Limited</u></p> <ol style="list-style-type: none"> 1. Federation Branch, Dhaka 2. Mohakhali Branch , Dhaka 3. . Narayanganj Branch, Narayanganj. 4. Dhanmondi Branch , Dhaka. 5. Banani Branch, Dhaka. 6. Shantinagar Branch., Dhaka. 7. Islampur Branch, Dhaka. 8. Naya Paltan Branch, Dhaka. 9. Malibagh Branch, Dhaka. 10. Stock Exchange Branch, Dhaka., 11. Pragoti sarani Branch, Dhaka. 12. Agrabad Branch, Chittagong. 13. Rajshahi Branch, Rajshahi 14. Khulna Branch , Khulna. 15. Jessore Branch , Jessore. 16. Barisal Branch , Barisal 17. Sylhet Branch, Laldihirpar, Sylhet.

Section-XII



MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company.

- a) Underwriting Agreement between the Company and ICB Capital Management Ltd., Eastern Bank Ltd., Janata Bank Ltd.
- b) Issue Management Agreement between the Company and the Manager to the Issue, Janata Bank Ltd.
- c) Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

MISCELLANEOUS INFORMATION

Registered & Corporate Office	Active Fine Chemicals Ltd. Tanaka Tower 42/1/Gha, Sagun Bagicha Dhaka-1000. Phone:9572001,9550250,9570574 Fax: 088-02-9550040 Web: www.afchem.com
Issue Manager	Janata Bank Ltd. Head Office Janata Bhaban 110, Motijheel C/A Dhaka-1000, Bangladesh Web: www.janatabank-bd.com
Auditor	Khan Wahab Shafique Rahman & Co. Chartered Accountants Rupali Bima Bhaban 7, Rajuk Avenue (5 th Floor) Motijheel, Dhaka-1000. Phone: 9565136, 9551663. Fax:880-2-9551821.
Compliance Officer of the Company	Prodip Roy ACS Head of Finance & Company Secretary
Compliance Officer of Manager to the Issue	Swapan Kumar Saha First Assistant-General Manager

(Name & Designation)

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) Account number in the application form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or typed copy/hand written form thereof.
4. Application must not be for less than 500 Ordinary Shares and must be for a multiple of 500 Ordinary Shares. Any Application not meeting this criterion will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/ Cheque/ Bank Draft/ Pay Order payable to one of the Bankers to the Issue A/C **"Active Fine Chemicals Limited "** and crossed **"A/C Payee only"** and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form.
7. Joint Application form for more than two persons will not be accepted. In case of joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and Private Company must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant can not submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicant's bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited in to the respective bank account as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the Application payable at Dhaka or Chittagong, as the case may be.
12. Allotment will be made solely in accordance with the instructions of the Securities and Exchange Commission (SEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information shall make the application liable to rejection and subject to forfeiture of application money and /or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited Application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25(twenty five) days after the prospectus has been published.**

BANKERS TO THE ISSUE

<p><u>Janata Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Kamal Attatuk Avenue Branch, Dhaka 2. Dhanmondi Branch, Dhaka 3. Elephant Road Branch, Dhaka 4. Gulshan Branch, Dhaka 5. Uttara Model Town Corporate Branch, Dhaka 6. Mohakhali Corporate Branch, Dhaka 7. Shantinagar Branch, Dhaka 10. Motijheel Corporate Branch, Dhaka 8. Dhaka University Campus Branch, Dhaka 9. Rajarbag Corporate Branch, Dhaka 11. B.B Road Corporate Branch, Dhaka 12. Khulna Corporate Branch, Khulna 13. Sheikh Mujib Road Corporate Branch, Chittagong 14. Potia Branch, Chittagong 15. Rajsgahi Corporate Branch, Rajshahi 16. Comilla Corporate Branch, Comilla <p><u>Southeast Bank Ltd.</u></p> <ol style="list-style-type: none"> 1. Principal Br. Dhaka 2. Corporate Br. Dhaka 3. Dhanmondi Br. Dhaka 4. Uttara Br. Dhaka 5. New Elephant Road Br. Dhaka 6. Gulshan Br. Dhaka 7. Kakrail Br. Dhaka 8. New Eskaton Br. Dhaka 9. Agargaon Br. Dhaka 10. Motijheel Br. Dhaka 11. Shyamoli Br. Dhaka 12. Kawran Bazar Br. Dhaka 13. 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Instructions

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. An application must not be for less than 500 Ordinary Shares and must be for a multiple of 500 ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring "Active Fine Chemicals Limited." and crossed "Account Payee only".
5. An application shall be sent by the applicant directly to the Company by 20 September 2010 so as to reach the Company by 29 September 2010. Applications sent after 20 September 2010 or received by the Company after 29 September 2010 will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription allotment shall be made by lottery solely in accordance with the instructions by SEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint application by two persons will be acceptable. In such a case, allotment or refund shall be made by post to the first applicant.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) with bank account number and name of bank branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the Application liable to rejection and subject to forfeiture of application money and / or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account specified by the Securities and Exchange Commission (SEC). This may be in addition to any other penalties as may be provided for by the law.
13. The intending NRB applicants shall deposit share money by US\$/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh. So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
14. The spot buying rate (IT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
15. **The applicant shall furnish photocopies of relevant pages of valid passports in support of his/her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him / her to travel to Bangladesh.**
16. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-15 (above).
17. An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission.
18. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

KHAN WAHAB SHAFIQUE RAHMAN & CO
CHARTERED ACCOUNTANTS

PARTNERS:

S.M. SHAFIQUE FCA
MUJIBUR RAHMAN FCA
MD. ABU SINA FCA
MD. ANISUR RAHMAN FCA

HEAD OFFICE:

RUPALI BIMA BHABAN
7, RAJUK AVENUE (5TH FLOOR)
MOTIJHEEL, DHAKA-1000.
Tel:9565136, 9551663
FAX:880-2-9551821
E-mail:kwsr@dhaka.net

ACTIVE FINE CHEMICALS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of **ACTIVE FINE CHEMICALS LIMITED** as at December 31, 2009 and the related Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

SCOPE:

We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

OPINION:

In our opinion, based on our audit and on the basis of valuation report given by G.K. Adjusters Ltd., the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of affairs of the company as of 31st December, 2009 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;
- (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts; and
- (d) The expenditure incurred was for the purposes of the company's business.

Dhaka: Dated
16 March, 2010

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER, 2009

	Notes	31.12.2009	31.12.2008
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipments at Carrying Value	2.00	334,833,141	154,252,911
Unallocated revenue expenditure	3.00	31,392,448	9,420,778
Preliminary expenses	4.00	48,200	48,200
Current Assets:			
Inventories	5.00	24,515,513	990,421
Advances, Deposits and Prepayments	6.00	14,053,863	3,935,464
Accounts Receivable	7.00	3,921,672	-
Cash and Cash Equivalents	8.00	26,168,481	1,926,621
TOTAL ASSETS		434,933,318	170,574,395
SHARE HOLDERS' EQUITY & LIABILITIES:			
Share holders' Equity :			
Share Capital	9.00	200,000,000	96,000,000
Retained Earnings		5,281,070	-
Revaluation Surplus	10.00	113,440,000	-
Non-Current Liabilities:			
Long term loans from Bank-Secured	11.00	81,085,969	54,385,465
Current Liabilities:			
Short term loans	12.00	25,381,842	11,352,278
Liabilities for Finance Lease	13.00	1,545,455	-
Liabilities for Expense & Services	14.00	7,162,732	8,836,652
Liabilities for Other Finance	15.00	1,036,250	-
TOTAL SHARE HOLDERS' EQUITY AND LIABILITIES		434,933,318	170,574,395

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

Sd/-
Md. Mosleh Uddin
Chairman

Sd/
S.M. Saifur Rahman
Managing Director

Sd/-
Prodip Roy ACS
Head of Finance & Company Secretary

Signed in terms of our separate report of even date

Dhaka, March 16, 2010

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LIMITED
PROFIT AND LOSS ACCOUNTS
FOR THE PERIOD ENDED 31ST DECEMBER, 2009

	Notes	AMOUNT (IN TAKA) Oct-Dec'09
NET TURNOVER	16.00	22,528,188
COST OF GOODS SOLD	17.00	(12,629,587)
GROSS PROFIT		9,898,601
OPERATING EXPENSES:	18.00	1,658,266
Administrative Expenses		884,064
Selling & Distribution Expenses		774,202
PROFIT FROM OPERATIONS		8,240,335
Financial Cost		(2,681,314)
NET PROFIT BEFORE WPPF		5,559,021
Allocation for WPPF		(277,951)
NET PROFIT BEFORE TAX		5,281,070
Provision for Income Tax		-
NET PROFIT AFTER TAX		
(Transferred to Statement of Changes in Equity)		5,281,070
Earnings per share (EPS) :	19.00	0.51

N.B.: Profit and Loss Account has been drawn for operational period covering from October, 2009 to December, 2009 (3 Months) as commercial production started since 5th October, 2009.

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

Sd/-
Md. Mosleh Uddin
Chairman

Sd/
S.M. Saifur Rahman
Managing Director

Sd/-
Prodip Roy. ACS
Head of Finance & Company Secretary

Signed in terms of our separate report of even date

Dhaka, March 16, 2010

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2009

	Share Capital	Retained Earnings	Revaluation Surplus	Total
At beginning of the year	96,000,000	-	-	96,000,000
Share capital for the year	104,000,000	-	-	104,000,000
Net Profit after Tax	-	5,281,070	-	5,281,070
Revaluation Surplus	-	-	113,440,000	113,440,000
At the end of year 2009	200,000,000	5,281,070	113,440,000	318,721,070

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

Sd/-

Md. Mosleh Uddin
Chairman

Sd/

S.M. Saifur Rahman
Managing Director

Sd/-

Prodip Roy ACS
Head of Finance & Company Secretary

Signed in terms of our separate report of even date
Sd/-

Dhaka, March 16, 2010

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

ACTIVE FINE CHEMICALS LTD.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2009

		2009	2008
	Notes		
A. Cash Flows from Operating Activities:			
Collection from Sales	20.00	18,606,516	-
Payment to Suppliers	21.00	(34,766,321)	7,352,454
Payment for Expenses	22.00	(3,055,806)	-
Payment for Advance, Deposit and Prepayment		(10,118,399)	(3,935,464)
Payment for Unallocated Revenue Expenditure		(21,971,670)	(4,247,705)
<i>Net cash provided in operating activities</i>		(51,305,680)	(830,715)
B. Cash Flows from Investing Activities:			
Purchase of Fixed Assets		(70,727,983)	(78,171,811)
<i>Net cash used in investing activities</i>		(70,727,983)	(78,171,811)
C. Cash Flows from Financing Activities:			
Increase in Share Capital		104,000,000	-
Increase in Long Term Loan		26,700,504	54,385,465
Increase in Short Term Loan		14,029,564	11,352,278
Received under lease Obligation		1,545,455	-
<i>Net cash flows provided/(Used) by financing activities</i>		146,275,523	65,737,743
Net cash inflow/(Outflow) from Total Activities (A+B+C)		24,241,860	(13,264,783)
Opening cash & cash equivalents at the opening		1,926,621	15,191,404
Cash and Cash Equivalents at the end		26,168,481	1,926,621

The annexed notes form an integral part of the financial statements

Sd/-
Md. Mosleh Uddin
Chairman

Sd/
S.M. Saifur Rahman
Managing Director

Sd/-
Prodip Roy ACS
Head of Finance & Company Secretary

ACTIVE FINE CHEMICALS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER, 2009

FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

The Active Fine Chemicals Ltd. 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.

1.02 Registered Office and Factory:

The Company's registered office is situated at Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka – 1000 and its factory is located at Munshiganj, 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:

It's commercial production has been started since 5th October, 2009.

1.05 Components of Financial Statements:

- i. Balance Sheet as at December 31, 2009.
- ii. Profit and Loss Account for the period from 1st October, 2009 to 31st December, 2009.
- iii. Cash flow statement for the year ended December 31, 2009.
- iv. Accounting policies and explanatory notes.

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

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

- BAS – 1 Presentation of Financial Statements
- BAS – 2 Inventories
- BAS – 7 Cash Flow Statements
- BAS – 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS – 10 Events after the Balance Sheet
- BAS – 12 Income Taxes
- BAS – 16 Property, Plant and Equipment
- BAS – 17 Leases
- BAS – 18 Revenue
- BAS – 19 Employee Benefits
- BAS – 21 The effects of Changes in Foreign Exchange Rate
- BAS – 23 Borrowing Costs
- BAS – 24 Related Party Disclosures
- BAS – 26 Accounting and Reporting by Retirement Benefit Plans

BAS – 33	Earnings Per Share
BAS – 37	Provisions, Contingent Liabilities and Contingent Assets
BAS – 38	Intangible Assets

1.07 **Basis of Preparation and presentation of Financial Statements:**

i. **Statement of compliance:**

The financial statements have been prepared on going concern basis under the historical cost convention in accordance with generally accepted accounting principles, Bangladesh Accounting Standards (BAS), Companies Act 1994 and other applicable laws and regulation.

ii. **Basis of measurement:**

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

iii. **Functional and presentational currency and level of precision:**

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

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.

v. **Reporting Period:**

The period of financial statements of the company covers one year from 1st January, 2009 to 31st December, 2009 and it followed consistently. Profit and loss accounts has been drawn covering the period from 1st October to 31st December, 2009 (3 Months) as commercial activities started since October, 2009. The expenditures relating to administrative & financial for the period from 1st January to 30th September, 2009 (9 Months) had been booked under "Unallocated Revenue Expenditure".

vi. **Comparative Accounts:**

Figures of previous year has been re-arranged to conform to the current year's presentation, wherever necessary.

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. The cost is assigned following weighted average cost formula. As per BAS – 2 "**Inventories**" Net realizable value is determined by deducting estimated cost of completion and cost of sales from the estimated sales of the related items.

ii. **Cash Flow Statement:**

Cash flow statement is prepared in accordance with BAS-7 under direct method as outlined in the Securities and Exchange Rule 1987.

iii. Income Tax:

Tax Holiday Reserve:

Provision for tax holiday reserve has not made by the company during the year as commercial activities started since October, 2009. The company is enjoying 100% tax exemption on all profit and gains for 1st 2 years from 1st May, 2009 and thereafter 50% for next 2 years and 25% for fifth year.

Current Tax:

Provision for income tax has not been made during the year as the company has been enjoying tax holiday period.

Deferred Tax:

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction recognized in the income statement. A temporary differences is the difference between the tax base of an assets or liability and its carrying amount/reported amount in the financial statement. Deferred tax asset or liability is the amount of income tax payable or recoverable in future period(s) recognized in the current period. The deferred tax asset/income or liability/expenses does not create legal liability/recoverability to and from the income tax authority. Since no current tax provision has been made in this financial statements, the implication of deferred tax has not been considered.

iv. Property, Plant and Equipments:

These are stated at cost or revaluation value less accumulated depreciation. The property, plant and equipments have been revalued in the year under review by a firm of professional valuers GK Adjusters Ltd. on the basis of open market value.

v. Depreciation:

Depreciation has been charged on straight line method. And depreciation are charged to manufacturing expense and administrative, selling and distribution expense on prorata basis. But no depreciation has been charged on the assets during pre-production period.

Depreciation is charged at the rate varying from 3% to 20% depending on the estimated useful lives of the assets. No depreciation is charged on land and land development. The revalued property, plant and equipment are depreciated by writing off their net book value at the date of revaluation over their remaining estimated useful life.

vi. Subsequent Costs:

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

vii. Leased Assets:

In compliance with the BSA 17 “Leases”, cost of assets acquired under finance lease along with obligation there against have been accounted for as assets and liabilities respectively of the company and the interest element has been charged as expenses.

viii. Revenue Recognition:

Sales are recognized at the time of delivery of products on the basis of invoice in conformity with the requirement of provisions of BAS 18 “**Revenue**”.

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

ix. Retirement Benefit Schemes:

(a) Staff Provident Fund:

No staff provident fund scheme has been implemented by the company.

(b) Employee Benefit:

The company has not implemented any types of employees benefit scheme like gratuity, leave encashment etc.

(c) Insurance:

The company has not yet implemented any group insurance scheme for the staffs.

(d) WPPF:

As per law, the company has created a fund for workers as “Workers Profit Participation Fund (WPPF)” and 5% of the profit before charging such expenses has been provided for this fund.

x. Foreign Currency Transactions:

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

xi. Borrowing Cost/Finance Cost:

The company has accounted borrowing cost as deferred expenses up to pre-operation, such as, interest on term loan and other related fees/charges for the period till to commencement of commercial operation, and thereafter, charges the cost to revenue account as financial expenses after commencement of the commercial operation.

xii. Related Party Transaction:

No related party transaction has incurred during the year, except loan from Directors.

xiii. Earning per Share (EPS):

Earnings per Share (EPS) is calculated in accordance with the Bangladesh Accounting Standard BAS-33 “**Earning per Share**”.

Basic earnings per share:

“Earnings per share” has been calculated by dividing the earning attributable to the number of shares (ordinary) held by the members 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.

xiv. 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.

xv. 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 accounts. Deposits are measured at payment value.

xvi. 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.

xvii. 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.

xviii. 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 uncollectibility of any amount so recognized.

xix. Unallocated Revenue Expenditure:

The expenditures relating to administrative & financial for the period from 1st January to 30th September, 2009 (9 months) had been booked under **“Unallocated Revenue Expenditure”**.

xx. Preliminary Expenses:

Preliminary expenses represents the expenses relating to company formation and initial legal expenses and would be amortized over a period of one year in year 2010.

2.00 Fixed Assets: Tk. 334,583,142**AMOUNT (IN TAKA)**

	2009	2008
Opening balance	154,252,911	76,081,100
Add: Addition during the year	70,727,983	78,171,811
Add: Revaluation Surplus	113,440,000	-
	338,420,894	154,252,911
Less: Accumulated Depreciation	3,587,753	-
Written Down Value	334,833,141	154,252,911

Details have been shown in **Annexure-A**.**3.00 Unallocated Revenue Expenditure: Tk. 31,392,448****AMOUNT (IN TAKA)**

	2009	2008
Salary and remuneration	6,502,438	1,519,882
Printing and stationery	277,179	101,708
Food expense	48,097	-
Membership fees	10,000	-
Entertainment expense	442,696	181,689
Paper bill	18,180	4,180
Traveling and conveyance	298,108	72,696
Mobile bill	126,270	92,050
Water bill	35,010	5,250
Internet bill	122,450	26,550
Office running cost	-	898,810
Legal & Technical Consultancy fees	1,239,113	746,200
Fuel and Lubricant expense	294,085	55,291
Telephone bill	29,331	37,455
Staff entertainments	-	53,550
Hardware and tools	15,436	14,117
License and renewal fees	255,778	1,374,055
Repair and maintenance expense	25,040	9,271
Drawings and arts	-	5,000
Gas line expense	554,173	50,830
Caring charge	50,245	13,650
Medical expense	60,126	53,554
Crockery's Expense	81,805	11,690
Business development expense	1,384,777	1,181,121
Electric bill	97,490	59,657
Office rent	534,000	285,000
House rent	80,700	75,100
Car repair & maintenance	115,445	36,940
Car related Expense.	140,000	-
Audit fees	-	17,004
Miscellaneous Expense	5,500	-
Bank charge and other expense	16,036	2,438,478
Bank interest	7,799,376	-
Postage and telegram	8,123	-
Telephone installation	7,000	-
service charge	18,232	-
PABX	57,750	-
CNG conversion	202,735	-
Source Tax-House rent	42,000	-
Insurance Premium	256,511	-
Lease rental expense	173,977	-

Dish line expense	3,850	-
Income tax	84,660	-
Books and periodicals	16,443	-
Legal expense	70,000	-
Donation	77,300	-
Plantation	48,530	-
Marketing expense	17,319	-
Educational expense	178,356	-
Indenting commission	50,000	-
Add: Previous year's balance	9,420,778	-
	31,392,448	9,420,778

4.00 Preliminary Expenses: Tk. 48,200

Opening Balance	48,200	48,200
Add: Addition during the year	-	-
	48,200	48,200

The preliminary expenses will be amortized in year 2010.

5.00 Inventories: Tk. 24,515,513

Raw Materials	14,625,583	961,171
Packing Materials	732,654	29,250
Work in process	3,584,156	-
Finished goods	5,573,120	-
	24,515,513	990,421

The basis of valuation is stated in **Note-1 (1.08.i)**.

6.00 Advance, Deposit & Prepayment: Tk. 14,053,863

House Rent	132,500	42,000
Office Rent	180,000	180,000
Security Money	266,700	265,700
DG of MOEF	427,000	-
L.C Margin - Machineries	11,686,667	3,447,764
Bank Guarantee	515,400	-
Moon Moon Shipping (C&F)	93,296	-
Mohiuddin Ahmed & Sons (C&F)	250,000	-
Ananash IT & Solution (Web Development)	27,000	-
A B sefty (Electric Goods)	12,000	-
Subbir Plastic (Packing Materials)	6,000	-
Kamal engineering (Deep Tubewel)	30,000	-
Sabuz Traders (Deep Tubewel)	145,000	-
Firoj Akter (Salary)	6,000	-
Mr. Thakur (Office Decoration)	35,000	-
Mr. Nannu Mia (Office Decoration)	15,000	-
Mr. Rafique (Office Decoration)	20,000	-
Autobi Ltd (Furniture & Fixture)	50,000	-
Pay order (DU) (Tender Security Money)	18,500	-
Mr. Arif (Consultancy Fee)	137,800	-
	14,053,863	3,935,464

(a) This is considered good.

(b) No amount was due by the Directors (including Managing Director) and managing agents of the company and any of them severally or jointly with any other person.

7.00 Account Receivable: Tk. 3,921,672

The above balance has been shown in **Annexure-B**

No amount was due by the Directors (including Managing Director) or any official of the company.

8.00 Cash & Cash Equivalents: Tk. 26,168,481

	AMOUNT (IN TAKA)	
	2009	2008
Cash in Hand	99,555	141,440
Cash at Bank:		
Janata Bank Ltd. A/C No-33051594	57,129	1,785,125
Eastern Bank Ltd. A/C No-01011060012092	664,460	56
One Bank Ltd. A/C No-161406007	16,387	-
Janata Bank Ltd. A/C No-010236002009	25,324,415	-
Dutch Bangla Bank Ltd. A/c No. 0105110000016657	6,535	-
	26,168,481	1,926,621

The above bank balances are reconciled and confirmed. Cash in hand balance certificate has been provided.

9.00 Share Capital:

	<u>31.12.2009</u>	<u>31.12.2008</u>
Authorised:		
10,00,00,000 Ordinary shares of Tk. 10 each	<u>100,00,00,000</u>	
3,200,000 Ordinary shares of Tk. 100 each		<u>320,000,000</u>
Issued and Paid up		
2,00,00,000 Ordinary shares of Tk. 10 each	20,00,00,000	
960,000 Ordinary shares of Tk. 100 each		96,000,000

The details of share capital is subscribed as under :

Particulars	Amount in Tk.	Percentage
(A) Institutional Sponsors:		
Swadesh Investment Management Ltd.	4,000,000	2.00%
Sub Total	4,000,000	2.00%
(B) Individual Sponsors:		
Mr.AKM Badiul Alam	1,000,000	0.50%
Mr.Md. Shariful Islam	1,500,000	0.75%
Mr.Jasim Uddin	1,000,000	0.50%
Mr. Falah Uddin Ali Ahmed	1,000,000	0.50%
Ms. Syeda Kajori Kamal	1,000,000	0.50%
Mr. Khalid Hossain Khan	10,000,000	5.00%
Ms. Mahfuza Rahman	2,500,000	1.25%
Mr. Sayadur Rahman	7,800,000	3.90%
Mr. S.M. Aminur Rahman	1,250,000	0.63%
Mr.Bodruddoza Md.Farhad Hussain	3,000,000	1.50%
Ms.Shahela Naushad Haque	2,000,000	1.00%
Mr.Md.Golam Sarwar	200,000	0.10%
Md. Nazrul Islam	1,000,000	0.50%
Mr.Daud Ahmed Sikder	200,000	0.10%

Mr.Afroza Khatun	300,000	0.15%
Mr.Ahmad Tarik Kabir	100,000	0.05%
Ms.Sukla Roy	500,000	0.25%
Mr. Dilip Roy	500,000	0.25%
Mr. Milton Kumar Roy	500,000	0.25%
Ms.Most. Afroza Akter	450,000	0.23%
Mr. Anup Kumar Saha	100,000	0.05%
Mr.M.A.Motin	200,000	0.10%
Mr. Anwarul Islam	450,000	0.23%
Mr.Awlad Hossain	300,000	0.15%
Mr.Munzural Alam	900,000	0.45%
Mr.Abdus Subhan Mia	1,150,000	0.58%
Shapan Kumar Shaha	7,700,000	3.85%
Syed Abul Forhad	9,900,000	4.95%
Nurjahan	4,900,000	2.45%
Amar Chandra Saha	2,500,000	1.25%
Anwar-uz-zaman	1,700,000	0.85%
Beacon Pharmaceuticals Ltd.	2,000,000	1.00%
Zaiuddin Thakur	1,000,000	0.50%
Ms.Poly Chakraborty	5,000,000	2.50%
A.B.M Jamaluddin	500,000	0.25%
Nurul Islam	500,000	0.25%
Mr.Hussain	1,000,000	0.50%
Dr Mohiuddin Khan Alamgir	2,000,000	1.00%
Adeeb Mohammad Tawseef	4,800,000	2.40%
Md. Moslehuddin	5,000,000	2.50%
Jewel Khan	5,000,000	2.50%
Md.Ziauddin	20,900,000	10.45%
Md.Afzal	9,800,000	4.90%
Md. Abdul Mojid	200,000	0.10%
Md.Arifur Rahman	700,000	0.35%
Mr. Khandaker Ishtique Ahmed	2,000,000	1.00%
Mr, Saifur Rahman	38,400,000	19.20%
Al Haj Saydur Rahman	31,600,000	15.80%
Sub Total	196,000,000	98.00%
Grand Total (A+B)	200,000,000	100%

10.00 Revaluation Surplus: Tk. 113,440,000

AMOUNT (IN TAKA)		
2009	-	2008
Land and Land development	94,800,000	-
Building	10,570,000	-
Plant & Machinery	570,000	-
Gas line Installation & Other Construction	7,500,000	-
113,440,000		-

The above assets have been revalued during the year by a professional valuers GK adjusters Ltd. on the basis of open market value.

11.00 Loan from Bank: Tk. 81,085,969

AMOUNT (IN TAKA)		
2009	-	2008
78,363,806		51,966,654
2,722,163		2,418,811
81,085,969		54,385,465

Janata Bank A/C No-010235034498 (Note-11.01)
 Janata Bank A/C No-010235034663 (Note-11.02)

11.01 Janata Bank A/c # 010235034498 : Tk. 78,368,806

The details of above bank account are appended below:

Nature : LCD (Project Loan)
 Sanction Limit : 110,462,000.00
 Expiry date : 20/06/2014
 Interest Rate : 12%
 Security : 342 Decimal land at Mokterpur in Munshigonj District.

11.02 Janata Bank A/c # 010235034663 : Tk. 2,722,163

The details of above bank account are appended below:

Nature : LCD (Project Loan)
 Sanction Limit : 11,835,000.00
 Expiry date : 20/06/2014
 Interest Rate : 12%
 Security : 342 Decimal land at Mokterpur in Munshigonj District.

12.00 Short term borrowing: TK. 25,381,842**Loan from Bank (CC):**

Janata Bank, A/c No. 010237004755 (Note-12.01) 2,986,842 -

Loan from Directors' & Others:

Alhaj Sayadur Rahman 11,130,000 -
 Mr.S.M.Saifur Rahman 3,795,000 9,802,278
 Mr.Md.Zia Uddin 3,670,000 400,000
 Mr.Jewel Khan 1,000,000 1,000,000
 Md. Afzal 2,800,000 -
 Mainul Rahman - 150,000

25,381,842 11,352,278

12.01 Janata Bank A/c # 010237004755 : Tk. 2,986,842

The details of above bank accounts are appended below:

Nature : LCD (HYPO)
 Sanction Limit : Tk. 43,796,000.00
 Expiry date : 28/02/2010
 Interest Rate : 13.5% (variable)
 Renewal Status :
 Security : Not yet renewed

13.00 Obligation Under finance lease: Tk. 1,545,455

AMOUNT (IN TAKA)		
2009	-	2008

Opening balance - -

Add: Addition During the year	2,000,000	-
	<u>2,000,000</u>	
Less: Payment during the year	454,545	-
	<u>1,545,455</u>	<u>-</u>

The amount of Tk. 20,000.00 was recognized as obligation under finance lease for procurement 1 (One) unit Brand Gas Generator. This lease is repayable in 36 equal monthly installment of Tk. 69,400 (including principal and interest) starting from 15th March 2009 and remaining balance stands at Tk. 1,545,455 (Principal only) as on 31st December, 2009. The remaining balance will be paid within February, 2012.

14.00 Liabilities for Expenses & Services: Tk. 7,162,732

Salary & Remuneration	926,000	276,473
Office Rent	87,000	60,000
House Rent	6,000	15,300
Consultancy Fees	20,000	120,000
Audit Fees	25,000	17,004
Source Tax-House rent	53,430	-
Internet Bill	16,000	5,000
Electric Bill	90,000	-
Gas Bill	11,000	-
Source Tax-Salary	4,958	-
Accounts Payable	(Note-14.01) 5,923,344	8,342,875
	<u>7,162,732</u>	<u>8,836,652</u>

14.01 Accounts Payable: Tk. 5,923,344

AMOUNT (IN TAKA)		
2009	-	2008

The break-up of Creditors are as follows:

Mr.Monir	-	33,962
Care Consult	-	55,500
Bismillah Enterprise	-	44,000
Abir Plastic	32,800	37,000
Mr.Asif Ahamed	-	370,000
A B Safety	-	43,200
Jalalabad Steel Ltd.	-	39,100
Mr.Salim	15,800	35,800
AQCS&S	2,052,000	1,250,000
Science Tech Corporation	-	150,000
Sunny Printers	-	180,600
Refa Enterprise	24,500	245,000
Pure Trade	8,000	78,000
Accept Printing	-	72,700
Cosmic Health Care	190,000	780,000
Mr. Afser	29,800	29,400
Moon Moon Shipping Lines	-	35,613
M.E Enterprise	467,000	2,477,000
Mr. Mozzamal	2,231,000	2,386,000
Mr. Sekandar	130,018	-
Wahid engineering	50,000	-
Mr. Saju	44,000	-
Sun Moon enterprise	19,500	-
Mr. Aziz	94,434	-
SKS mechnary	145,000	-
Total water solution	45,000	-
Asia energy	50,000	-

Crown trading	82,000	-
Rupali insurance	11,348	-
Sonar bangla insurance	8,400	-
Million excessories	3,540	-
Sarkar corporation	155,165	-
People Insurance	21,039	-
Younes Books Buinding	13,000	-
	<u>5,923,344</u>	<u>8,342,875</u>

15.00 Liabilities for Other Finance: Tk. 1,036,250

Contribution to WPPF	Note-15.01	277,951	-
VAT Payable	Note-15.02	758,299	-
		<u>1,036,250</u>	<u>-</u>

15.01 Contribution to WPPF: Tk. 277,951

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

15.02 VAT Payble: Tk. 758,299

Opening balance	-	-
Add: payable during the year	3,975,563	-
	<u>3,975,563</u>	<u>-</u>
Less: Adjust during the year	3,217,264	-
Total payable	<u>758,299</u>	<u>-</u>

16.00 Net Sales Revenue:TK.22,528,188

This is made-up as follows:

Turnover	26,503,750	-
Less: VAT 15%	3,975,563	-
Net Revenue	<u>22,528,188</u>	<u>-</u>

17.00 Cost of goods sold:Tk. 12,629,587

Opining W I P

Raw Material consumed	Note:17.01	8,726,428
Packing Material consumed	Note:17.02	1,929,977
Laboratory Chemicals Consumed		-
		10,656,405
Less: Closing W I P		3,584,156

**AMOUNT
(IN TAKA)**

Total Consumed	7,072,249
Add: Factory Overhead (Annexure-D)	11,398,650
Cost of Production	18,470,899
Add: Opening Finished Goods	-
Add: Purchase of Finished Goods	-
Finished Goods Available	18,470,899
Less: Transfer of Bulk Chemicals to formulation Raw Materials Inventory	-
Less: Closing Finished Goods	5,573,120
Add: Stock damage	233,357
Less: Cost of sample	501,549
Cost of Goods Sold	12,629,587
17.01 Raw material consumed: Tk. 8,726,428	
Opening Raw Materials	960,921
Add: Purchase Raw Materials	22,391,090
	23,352,011
Less: Closing Raw Materials	14,625,583
	8,726,428
17.02 Packing material consumed: Tk. 1,929,977	
Opening Packing Materials	29,250
Add: Purchase Packing Materials	2,633,381
	2,662,631
Less: Closing Packing Materials	732,654
	1,929,977
18.00 Administrative and Selling & Distribution Expenses: Tk. 1,658,966	
Administrative Expenses	884,064
Selling & Distribution Expenses	774,202
	1,658,266
The above detail has been shown in Annexure-C .	
19.00 Earning per share (EPS): Tk. 0.51	
Surplus for the year	5,281,070
Weighted average number of share outstanding during the year	10,255,342
Earning Per Share	0.51
Surplus for the year divided by weighted average number of shares.	
Weighted number of shares is calculated below:	
Opening balance of outstanding number of shares	9,600,000
Add: Weighted average number of shares for the year	655,342
Total weighted average number of shares outstanding for the year.	10,255,342

20.00 Cash Receipts from Customer: Tk. 18,606,516	AMOUNT (IN TAKA)
Sales	22,528,188
Less: Increase in Accounts Receivable	3,921,672
Total cash inflow	18,606,516
21.00 Cash paid to Suppliers: Tk. 34,766,321	
Cost of Goods Sold	12,629,587
Add: Increase in Inventory	23,525,092
Add: Decrease in Creditors	2,419,531
	38,574,210
Less: VAT deduction at Source	758,299
	37,815,911
Less: Depreciation	3,049,590
Total Cash outflow	34,766,321
22.00 Payment for Expenses: Tk. 3,055,806	
Administrative and Selling & Distribution Expenses	1,658,266
Add: Financial Cost	2,681,314
	4,339,580
Less: Increase in Liabilities for Expenses	745,611
	3,593,969
Less: Depreciation	538,163
Total Cash outflow	3,055,806

23.00 Capital Expenditure Commitment:

Contract for capital expenditure are being executed with the contractors and the running bills are accounted for. No unfinished contract was running after the end of the financial year. There was no material capital expenditure authorized by the board but not contracted at 31st December, 2009.

24.00 Claim not acknowledged as debt:

There was no claim against the company not acknowledged as debt as on 31.12.2009.

25.00 Un-availed credit Facilities:

There was no credit facility available to the company under any contract but not availed of, as on 31.12.2009 other than all credit facilities disclosed in accounts.

26.00 Number of Employees:

The number of employees engaged for the whole year who received a remuneration of Tk. 3,000 and above per month was 32 for the whole year and balance 30 numbers were required in the 2nd half of the year.

27.00 Contingent liability:

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

28.00 Events after the balance sheet date:

There is no significant event after ending of Balance Sheet date till signing of financial statements.

Active Fine Chemicals Ltd
Schedule of Fixed Assets
As at 31st December, 2009

Annexure-A

SL No.	Particulars	C O S T					Rate	D E P R E C I A T I O N			WDV
		Opening Balance	Addition during		Revaluation Surplus	Total		Opening Balance	Charge during Year	Total	
			Jan-Sept	Oct-Dec							
1	Land & Land Development	49,200,000	-	-	94,800,000	144,000,000	0%	-	-	-	144,000,000
2	Building	59,678,391	3,249,609	-	10,570,000	73,498,000	3%	-	459,363	459,363	73,038,637
3	Plant & Machinery	44,877,787	36,304,642	21,796,963	570,000	103,549,392	10%	-	2,588,735	2,588,735	100,960,657
4	Furniture & Fixture	243,298	2,917,504	-	-	3,160,802	10%	-	79,020	79,020	3,081,782
5	Office Equipment	253,435	794,265	-	-	1,047,700	20%	-	52,385	52,385	995,315
6	Motor vehicle	-	3,165,000	-	-	3,165,000	20%	-	158,250	158,250	3,006,750
7	Gas Line Installation & Other Cons.	-	2,500,000	-	7,500,000	10,000,000	10%	-	250,000	250,000	9,750,000
2009 Total		154,252,911	48,931,020	21,796,963	113,440,000	338,420,894		-	3,587,753	3,587,753	334,833,141
2008 Total		76,081,100	-	78,171,811	-	154,252,911		-	-	-	154,252,911

Depreciation has been charged for operational period of 3 months from October to December, 2009. No depreciation has been charged during the period from January to September, 2009 as there has been no commercial.

Allocation of depreciation charged during the year:

Manufacturing expenses	3,049,590
Administrative expenses	538,163
	<u><u>3,587,753</u></u>

Active Fine Chemicals Limited

Accounts Receivable

Annexure-B

Party wise details are as follows:				
SL No.	Name of Party	Reagent Value	A P I Value	Total Value
	<u>Hatkhola & Chittagong:</u>			
1	Adarsha Bighan Biponi	1,500.00		1,500.00
2	Central Scientific Co.	800.00		800.00
3	Dolphin Scientific Stores	6,000.00		6,000.00
4	Halim Foundation Pvt. Ltd.	16,000.00		16,000.00
5	Harvard Scientific Stores	11,910.00		11,910.00
6	M U Instruments Stores	1,360.00		1,360.00
7	M.A Trading Co	2,800.00		2,800.00
8	National Scientific	1,400.00		1,400.00
9	Paradise Scientific Company	50,560.00		50,560.00
10	Winner Scientific Co.	2,000.00		2,000.00
11	Zaika Enterprise	400.00		400.00
	Total (A)	94,730.00	-	94,730.00
	<u>Pharmaceutical:</u>			
1	ACME Laboratories Ltd	92,768.00		92,768.00
2	ACI Pharmaceuticals Ltd.	64,000.00		64,000.00
3	Aexim Pharmaceuticals Ltd.		60,000.00	60,000.00
4	Alco Pharmaceuticals Ltd.	22,700.00		22,700.00
5	Apex Pharmaceuticals Ltd	48,600.00		48,600.00
6	Aristo Pharmaceuticals Ltd.	86,888.00		86,888.00
7	Asiatic Laboratories Ltd.	34,000.00		34,000.00
8	Becon Pharmaceuticals Ltd.	6,900.00		6,900.00
9	Beximco Pharmaceuticals Ltd.	301,840.00		301,840.00
10	Biopharma Laboratories Ltd.	21,000.00		21,000.00
11	Chemist Laboratories Ltd.	12,000.00		12,000.00
12	Central Pharmaceuticals Ltd.	3,400.00	525,000.00	528,400.00
13	Essential Drugs Com. Ltd.	37,252.00		37,252.00
14	Fishers Department	2,200.00		2,200.00
15	Ganoshasthaya Pharmaceuticals Ltd	9,000.00		9,000.00
16	General Pharmaceuticals Ltd.	32,800.00		32,800.00
17	Healthcare Pharmaceuticals Ltd.	19,500.00		19,500.00
18	Incepta Pharmaceuticals Ltd.	160,290.00		160,290.00
19	Libra Pharmaceuticals Ltd	12,600.00		12,600.00
20	Medicon Laboratories Ltd.	14,600.00		14,600.00
21	Modern Pharmaceuticals Ltd.		342,500.00	342,500.00
22	Novo Healthcare & Parma Ltd	39,076.00		39,076.00
23	Oasis Laboratories Ltd.		27,000.00	27,000.00
24	Opsonin Pharmaceuticals Ltd.	48,000.00		48,000.00
25	Orion Infusion Ltd	15,000.00		15,000.00
26	Orion Laboratories Ltd.	244,000.00		244,000.00
27	Pacific Pharmaceuticals Ltd.	19,100.00		19,100.00
28	Pharmasia Ltd.	14,700.00		14,700.00
29	Pharmadesh Laboratories Ltd.	2,600.00		2,600.00
30	Peoples Pharmaceuticals Ltd.		200,000.00	200,000.00
31	Popular Pharmaceuticals Ltd.	568,471.00		568,471.00
32	Rangs Pharmaceuticals Ltd.	16,000.00		16,000.00
33	Renata Ltd.	349,737.00		349,737.00
34	Rid Pharmaceuticals Ltd.	7,800.00		7,800.00
35	Samsul Alamin Group	100.00		100.00
36	SKF Bangladesh Ltd.	273,520.00		273,520.00
37	Social Marketing Company	12,800.00		12,800.00
38	Somatec Pharmaceuticals Ltd.	18,000.00		18,000.00
39	Techno Drugs	14,600.00		14,600.00
40	Unimade Unihealth	41,200.00		41,200.00
41	Ziska Pharmaceuticals Ltd.	5,400.00		5,400.00
	Total (B)	2,672,442.00	1,154,500.00	3,826,942.00
	Grand Total (A+B)	2,767,172.00	1,154,500.00	3,921,672.00

Active Fine Chemicals Limited

Administrative, Selling & Distribution expenses

Annexure -C

Head of Accounts	Administrative Exp	Selling & Distribution Exp.	Total
Advertisement Expenses	-	5,400	5,400
Consultant Fee	50,400	-	50,400
Carrying Charge	-	3,469	3,469
Car Maintenance	1,569	2,000	3,569
Elect. Bill	8,027	8,027	16,054
House Rent	19,672	9,836	29,508
Internet Bill	2,921	1,461	4,382
Labour Charge	-	360	360
Medical Exp	964	482	1,446
Office Rent	9,135	9,135	18,270
Packing Materials	-	14,211	14,211
Postage	257	514	770
Printing Expenses	540	540	1,080
Paper Bill Expenses	413	412	825
Repair & Maint.	9,634	-	9,634
Salary & Wages	65,954	131,907	197,861
Telephone Bill	589	588	1,177
Traveling & Conveyance	1,668	3,336	5,004
Water Bill	664	1,328	1,992
Gas line Expenses	1,190	-	1,190
Service Charge	277	555	832
Coronaries	893	892	1,785
License& Renewal Fees	1,706	-	1,706
Pabx	399	-	399
Computer Accessories	1,853	1,854	3,707
CNG Conversion	1,050	-	1,050
Bank Charge	400	-	400
Insurance Premium	1,744	-	1,744
Mobile Purchases	319	-	319
Sales Commission	-	5,378	5,378
Dish Line Expenses	-	315	315
Books & Periodicals	-	889	889
Legal Expenses	1,463	-	1,463
Donation	5,460	5,460	10,920
Plantation	395	-	395
Marketing Expenses	-	4,900	4,900
Education Expenses	6,063	-	6,063
Live stock Expenses	3,798	-	3,798
Overtime Expenses	9,133	-	9,133
Gas Bill	1,654	-	1,654
Canteen Expenses	2,293	2,293	4,586
Director Remuneration	26,250	26,250	52,500
Stationery & Supplies	3,179	3,122	6,244
Travel& Tours	2,000	2,462	4,462
Bonus Expenses	2,032	2,031	4,063
Entertainment Expenses	4,552	4,553	9,105
Visa Expenses	4,655	-	4,655
Audit Fee	1,330	-	1,330
Lab Materials	2,155	-	2,155
Tender Expenses	-	158	158
Computer Maint Exp	-	903	903
Lease Rent	14,574	-	14,574
ICE	2,307	-	2,370
Web Development	196	-	196
Product Entry Fee	1,430	-	1,430
Technical Support	22,050	-	22,050
Penalty	339	-	339

Source TAX-Salary	874	-	874
Office Decoration	6,234	6,234	12,468
Office Beautification	4,403	4,402	8,805
TA/DA Expenses	-	123	123
Mobile Bill	863	4,000	4,863
TDS on rent	800	-	800
Fooding Allowance	-	2,873	2,873
Share Transfer Exp.	33,181	-	33,181
Depreciation	538,163	-	538,163
Sample cost	-	501,549	501,549
Total	884,064	774,202	1,658,266

Active Fine Chemicals Limited

Annexure-D

Manufacturing/Factory Overhead Expenses

Head of Accounts	Amount (In Taka)
Advertisement Expenses	71,740
Consultant Fee	669,600
Carrying Charge	46,082
Car Maintenance	47,416
Elect. Bill	213,284
House Rent	392,040
Internet Bill	58,218
Labour Charge	4,785
Medical Exp	19,212
Office Rent	242,730
Packing Materials	188,805
Postage	10,236
Printing Expenses	14,350
Paper Bill Expenses	10,956
Repair & Maint.	127,991
Salary & Wages	2,410,505
Telephone Bill	15,636
Traveling & Conveyance	66,488
Water Bill	26,459
Gas line Expenses	15,810
Service Charge	11,058
Coronaries	23,715
License& Renewal Fees	22,664
Pabx	5,301
Computer Accessories	49,244
CNG Conversion	13,950
Bank Charge	5,308
Insurance Premium	23,169
Mobile Purchases	4,232
Sales Commission	71,452
Dish Line Expenses	4,185
Books & Periodicals	11,811

Legal Expenses	19,437
Donation	145,080
Plantation	5,254
Marketing Expenses	65,100
Education Expenses	80,548
Live stock Expenses	50,465
Overtime Expenses	121,334
Gas Bill	21,970
Canteen Expenses	60,923
Director Remuneration	697,500
Stationery & Supplies	82,951
Travel& Tours	59,274
Bonus Expenses	400,947
Entertainment Expenses	120,968
Visa Expenses	61,845
Audit Fee	17,670
Lab Materials	28,635
Tender Expenses	2,093
Computer Maint Exp	11,997
Lease Rent	193,626
ICE	31,485
Web Development	2,604
Product Entry Fee	19,005
Technical Support	292,950
Penalty	4,500
Sourse TAX-Salary	14,000
Office Decoration	165,645
Office Beautification	116,975
TA/DA Expenses	1,628
Mobile Bill	64,606
TDS on rent	10,630
Food Allowance	38,163
Share Transfer Exp.	440,820
Depreciation	3,049,590
Total	11,398,650

ACTIVE FINE CHEMICALS LIMITED

1) Auditor's Report in pursuance of section 135(1) under paragraph 24 (1) of part II of the Third Schedule of the Company Act-1994
As per section 135(1) under paragraph 24 (1) of part II of the Third Schedule of the Company Act-1994, Active Fine Chemicals Ltd. has prepared the following statement of Assets & Liabilities for:

ACTIVE FINE CHEMICALS LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER, 2009, 2008, 2007, 2006 & 2005

Particulars	31/12/2009	31/12/2008	31/12/2007	31/12/2006	31/12/2005
ASSETS:					
Non-Current Assets:					
Property, Plant and Equipments:					
At cost / Carrying value	334,833,141	154,252,911	76,081,100	40,845,000	600,000
Written down value (W.D.V)	334,833,141	154,252,911	76,081,100	40,845,000	600,000
Unallocated revenue expenditure	31,392,448	9,420,778	4,896,883	2,101,490	110,440
Preliminary expenses	48,200	48,200	48,200	48,200	48,200
Total non-current assets	366,273,789	163,721,889	81,026,183	42,994,690	758,640
Current Assets:					
Inventories	24,515,513	990,421	-	-	-
Advances, Deposits and Prepayments	14,053,863	3,935,464	-	105,200	-
Accounts Receivable	3,921,672	-	-	-	-
Cash and Cash Equivalents	26,168,481	1,926,621	15,191,404	52,900,110	95,241,360
Total current assets	68,659,529	6,852,506	15,191,404	53,005,310	95,241,360
TOTAL ASSETS	434,933,318	170,574,395	96,217,587	96,000,000	96,000,000
SHARE HOLDERS' EQUITY & LIABILITIES:					
Share Holders' Equity:					
Share Capital	200,000,000	96,000,000	96,000,000	96,000,000	96,000,000
Retained Earnings	5,281,070	-	-	-	-
Revaluation surplus	113,440,000	-	-	-	-
Total Share Holders' Equity	318,721,070	96,000,000	96,000,000	96,000,000	96,000,000
Non-Current Liabilities:					
Long term liabilities	81,085,969	54,385,465	-	-	-
Total non-current liabilities	81,085,969	54,385,465	-	-	-
Current Liabilities:					
Short term loan	25,381,842	11,352,278	-	-	-
Obligation under finance lease	1,545,455	-	-	-	-
Liabilities for Expense & Services	7,162,732	8,836,652	217,587	-	-
Liabilities for other finance	1,036,250	-	-	-	-
Total current liabilities	35,126,279	20,188,930	217,587	-	-
Total Liability	116,212,248	74,574,395	217,587	-	-
Total Share Holders' Equity & Liabilities	434,933,318	170,574,395	96,217,587	96,000,000	96,000,000

Active Fine Chemicals Limited Ratio

Selected Ratios as per specified in rule 8B(20) I- Annexure B of the "Securities & Exchange Commission (Public Issue) Rules,2006

Particulars	31/12/2009	31/12/2008	31/12/2007	31/12/2006	31/12/2005
Liquidity Ratios					
Current Ratio(Times)	1.95	0.34	69.82	0.00	0.00
Quick Ratio (Times)	1.23	0.29	69.82	0.00	0.00
Times Investment Earned Ratio (Times)	N/A	N/A	N/A	N/A	N/A
Times Interest Earned Ratio(Times)	3.07	0.00	0.00	0.00	0.00
Debt Equity Ratio (Times)	0.41	0.57	0.00	0.00	0.00
Operating Ratios					
Accounts Receivable Turnover Ratio (Times)	5.74	0.00	0.00	0.00	0.00
Inventory Turnover Ratio (Times)	0.52	0.00	0.00	0.00	0.00
Assets Turnover Ratio (Times)	0.07	0.00	0.00	0.00	0.00
Profitability Ratios					
Gross Margin Ratio (%)	43.94%	0.00	0.00	0.00	0.00
Operating Income Ratio (%)	36.58%	0.00	0.00	0.00	0.00
Net Income Ratio (%)	23.44%	0.00	0.00	0.00	0.00
Return on Assets Ratio (%)	1.64%	0.00	0.00	0.00	0.00
Return on Equity Ratio (%)	2.64%	0.00	0.00	0.00	0.00
Earning Per Share (Taka)	0.51%	0.00	0.00	0.00	0.00

**AUDITOR'S CERTIFICATE ABOUT ALLOTMENT OF
SHARES TO PROMOTERS IN CASH:**

This is to certify that the Capital structure of Active Fine Chemicals Ltd. as on 31/12/2009 is as follows:

Authorized Capital:	
10,00,00,000 Ordinary Shares @ Tk. 10 each	100,00,00,000
Issued, Subscribed and Paid up Capital:	
2,00,00,000 Ordinary shares of Tk. 10 each fully paid in cash as under:	
At the time of Incorporation on 01.12.2004	9,60,00,000
Issued as on 8/12/2009	10,40,00,000
Total	20,00,00,000

We certify that the company does not issued any shares otherwise than cash and the books of accounts of the Company have been verified and found in order.

Sd/-

Date: 18th March, 2010
Dhaka

Khan Wahab Shafique Rahman & Co
Chartered Accountants

DETERMINATION OF OFFERING PRICE

The offering of the common stock of Active Fine Chemicals Ltd. has been determined by assessing the Net Assets Value (NAV). The financial calculation presented below is from the Audited Accounts as on 31/12/2009.

Particulars	Amount (In Taka)
ASSETS:	
Fixed Assets at carrying value less deprecation	334,833,141
Current Assets	68,659,529
Total Assets (A)	403,492,670
LIABILITIES:	
Non Current Liabilities	81,085,969
Current liabilities	35,126,279
Total Liabilities (B)	116,212,248
Net Assets (A-B)=C	287,280,422
Number of Ordinary Shares (D)	20,000,000
Net Assets per Shares (C/D)	14.36

We have examined the above calculation of Net Assets Value (NAV) of Active Fine Chemicals Ltd. which appears to be correct.

Sd/-

Date: 18th March, 2010
Dhaka

Khan Wahab Shafique Rahman & Co
Chartered Accountants

ADDITIONAL DISCLOSURE BY THE AUDITOR

Related Party Transaction:

The company has no transaction with related party in the normal course of business except the following:

Loan status:

- (a) The company has taken loan from the following Directors & others:

Loan from Directors:

Mr. Alhaj Saydur Rahman	11,130,000
Mr. S.M. Saifur Rahman	3,795,000
Mr. Md. Zia Uddin	3,670,000
Md. Afzal	2,800,000
Total	21,395,000

- (b) Name of the Director involve with other organization is as under:

SL No.	Name of Director	Position	Name of the Organization	Position
01.	Md. Zia Uddin	Director	Hamid Industrial Corporation (Pvt.) Ltd. Faijun Industries (Pvt.) Ltd. Zia Uddin Metal Industries	Director M.D Proprietor

AUDITOR'S CERTIFICATE REGARDING INCOME TAX

Exemption of Income Tax:

(NRB File No. 11 (43) Anu-1/2009. Date: 02/07/2009)

In pursuance of the Income Tax Ordinance, 1984 (xxxvi) of 1984) of section 46B (6), The National Board of Revenue has exempted the company from income tax at 100% for first 2 years w.e.f 1st May, 2009 and 50% for next 2 years and 25% for last year.

Additional Disclosures by Auditor

SEC Query No. 1

Whether the financial statement are prepared in accordance with Securities and Exchange Rule, 1987;

Ans:

We certify that the financial statements prepared in accordance with Bangladesh Accounting Standards, give a true and fair view of the state of affairs of the company as of 31st December, 2009 and of the results of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

SEC Query No. 2

Whether the company is engaged in manufacturing of API & Reagent;

Ans:

Active Fine Chemicals Ltd. is engaged in manufacturing of API & Reagent.

SEC Query No. 3

In the note of the audited accounts for the period ended 31/12/09 statement in change in equity is not included under “Component of Financial Statements”;

Ans:

Components of Financial Statements:

- i. Balance Sheet as at December 31, 2009.
- ii. Profit and Loss Account for the period from 1st October, 2009 to 31st December, 2009.
- iii. Statement of Changes in Equity for the year ended 31st December, 2009.
- iv. Cash flow statement for the year ended December 31, 2009.
- v. Accounting policies and explanatory notes.

SEC Query No. 4

Quantity wise schedule of inventories as required under schedule XI, part I of the Companies Act 1994;

Ans:

Inventories of raw materials, packing materials, working process and finished goods:

Particulars	Unit	Quantity	Value in taka
Raw Materials	Kg	76743	14,625,583
Packing Materials	Pcs	9204	732,654
Work in Process	Kg	18272	3,584,156
Finished Goods	Kg	595.35	5,573,120
Total			24,515,513

The above disclosures are included in **Note - 5** of the audited accounts.

SEC Query No. 5

Break-up of Advance, Deposit and Prepayments;

Ans:**Disclose break-up of Advance, Deposit and Prepayments;**

<u>Advance:</u>	<u>In taka</u>
House Rent	132,500
Office Rent	180,000
Moon Moon Shipping	93,296
Mohiuddin Ahmed & Sons	250,000
A B sefty	12,000
Kamal engineering	30,000
Sabuz Traders	145,000
Firoj Akter	6,000
Mr. Thakur	35,000
Mr. Nannu Mia	15,000
Mr. Rafique	20,000
Otobi Ltd	50,000
Sub Total (A)	968,796
<u>Deposit:</u>	
Security Money	266,700
DG of MOEF	427,000
L.C Margin	11,686,667
Bank Guarantee	515,400
Pay order (DU) (Tender Security Money)	18,500
Sub Total (B)	12,914,267
<u>Prepayments:</u>	
Ananash IT & Solution	27,000
Subbir Plastic	6,000
Mr. Arif	137,800
Sub Total (C)	170,800
Total (A+B+C)	14,053,863

The above disclosures are included in **Note - 6** of the audited accounts.**SEC Query No. 6**

Information regarding advances as required under schedule XI, part 1 of Companies Act 1994;

Ans:**Advance**

- a. Advances and loans to subsidiaries;

There were no such advances and loans in this respect as on 31st December, 2009.

- b. Advances and loans to partnership Firms in which the company or any or its subsidiaries is a partner.

There were no such advances and loans in this respect as on 31st December, 2009.

Instructions regarding “Sundry Debtors apply to Loans and Advances” also:

I. Loans and Advances considered good in respect of which the company is fully secured.

The entire advances and deposits amount are considered good and recoverable.

II. Loans and Advances considered good for which the company holds no security other than the debtor personal security

There is no such debt in this respect as on 31st December, 2009.

III. Loans and Advances considered doubtful or bad

There has been no loan and advances which can be considered as doubtful or bad.

IV. Loans and Advances due by directors or other officers of the company

There is no amount due from Directors or officers of the Company.

V. Loans and Advances due by Common Management

There is no such debt as on 31st December, 2009

VI. The maximum amount due by directors or other officers of the company

There is no such amount due by Directors or other Officers of the company.

SEC Query No. 7

Information regarding accounts receivables as required under schedule XI, part 1 of Companies Act 1994;

Ans:

Information regarding accounts receivable in line with schedule XI of companies Act 1994 is given bellow:

i. Disclosure in line with 4 (a) of part 1 schedule XI of companies Act 1994.

There has been no debt outstanding for the period exceeding six months.

ii. Disclosure in line with 4 (b) of part 1 schedule XI of companies Act 1994.

There has been no debt outstanding in this respect.

iii. Disclosure in line with F of schedule XI of companies Act 1994.

F. In regards to sundry debtors the following particulars shall be given bellow:

I. Debts considered good in respect of which the company is fully secured.

Trade debtors occurred in the ordinary course of business are considered good and secured except Rid Pharmaceuticals Ltd. (only Tk.7,800/-). The details of accounts receivable are included in **note - 7** of the audited accounts.

II. Debt considered good for which the company hold no security other than the debtor personal security

There is no such debt in this respect as on 31st December, 2009.

III. Debt considered doubtful or bad

The company does not make any provision for doubtful debts as on 31st December 2009.

IV. Debt due by directors or other officers of the company

There is no such debt as on 31st December, 2009 .This discloser has been given in **Note – 7** of Financial Statements.

V. Debt due by Common Management

There is no such debt as on 31st December, 2009

VI. The maximum amount due by directors or other officers of the company

There is no such debt in this respect.

G. Reserve for doubtful or bad debts

There are no such reserves created in this respect as on 31st December, 2009.

SEC Query No. 8

Date of changing face value of each share and changes in the authorized capital of the company;

Ans:

Face value of share capital has been changed from Tk. 100.00 to Tk. 10.00 on 9.12.2009 by a Special Resolution in an Extra Ordinary General Meeting and the authorized capital of the Company was increased in the same meeting in this same denomination. Subsequently said resolutions have been certified by the Register, Registrar of Joint Stock Companies and Firms as on 27.01.2010.Details of share capital are included in **Note - 9** of the audited accounts.

SEC Query No. 9

Loan status as shown in **Note - 11 and 12** of the audited accounts for the period ended 31/12/2009 do not agree with that of agreement submitted to the commission;

Ans:

Loan status:

A. Loan from Bank: Tk. 81,085,969		AMOUNT (IN TAKA)	
		<u>2009</u>	<u>2008</u>
Janata Bank A/C No-010235034498	(Note-a)	78,363,806	51,966,654
Janata Bank A/C No-010235034663	(Note-b)	2,722,163	2,418,811
		<u>81,085,969</u>	<u>54,385,465</u>

a. Janata Bank A/c # 010235034498 ;

The details of above bank account are appended below:

Nature : LCD (Project Loan)
Sanction Limit : 110,462,000.00
Expiry date : 04/05/2015
Interest Rate : 12%
Security : 342 Decimal land along with building at Mokterpur in
Munshigonj District.

The difference in expiry date was due to counting of loan sanctioning date and actually loan disbursement date. The date was given as per sanctioning date. However, as per disbursement date, the loan expiry date will be on 4/5/2015.

b. Janata Bank A/c # 010235034663 ;

The details of above bank account are appended below:

Nature : LCD (Project Loan)
Sanction Limit : 11,835,000.00
Interest Rate : 12%
Security : 342 Decimal land along with building at Mokterpur in
Munshigonj District.

B. Short term borrowing: TK. 25,381,842

		<u>2009</u>	<u>2008</u>
Loan from Bank (CC):			
Janata Bank, A/c No. 010237004755	(Note-a)	2,986,842	-
<u>Loan from Directors' & Others:</u>			
Alhaj Sayadur Rahman		11,130,000	-
Mr.S.M.Saifur Rahman		3,795,000	9,802,278
Mr.Md.ZiaUddin		3,670,000	400,000
Mr.Jewel Khan		1,000,000	1,000,000
Md. Afzal		2,800,000	-

Mainul Rahman

-	150,000
25,381,842	11,352,278

- Loan from directors and others bears no interest.

a. Janata Bank A/c # 010237004755 ;

The details of above bank accounts are appended below:

Nature : CC (HYPO)
Sanction Limit : Tk. 43,796,000.00
Expiry date :28/02/2010
Interest Rate : 13.5% (Variable)
Renewal Status : Not yet renewed
Security : Ending inventory.

- Subsequently CC (HYPO) has been renewed from 28.02.2010 to 28.2.2011.

SEC Query No. 10

Subsequent status of VAT payable shown in **Note - 15**;

Ans:

Subsequent status of VAT Payable

VAT payable amounting TK. 7,58,299/- as on 31st December 2009 has been shown in **Note – 15.02** of audited accounts. The entire amount has been paid subsequently on 06.01.2010 and 28.02.2010.

SEC Query No. 11

Information as required under schedule-XI, Part-II, Para-3 of the Companies Act 1994;

Ans:

a. Turnover

The breakup of turnover is as follows:

Description	Unit	Quantity	Value in taka
API & Reagent	kg	2735	22,496,874
API & Reagent	ltr	5575	4,006,876
Total			26,503,750

b. Commission paid to commission agent

Nil.

c. Brokerage commissions on sales, other than the usual the trade discount.

Nil.

d. Materials Consumed

Particulars	Unit	Opening Stock		Purchase		Working process		Closing Stock		Material consumed	
		Qty	Value in TK.	Qty	Value in TK.	Qty	Value in TK.	Qty	Value in TK.	Qty	Value in TK.
Raw materials	Kg	1228	960,921	120586	22,391,090	18272	3584156	76743	14,625,583	26799	5,142,272
Packing Materials	Pcs		29,250		2,633,381		-		732,654		1,929,977
Total			990,171		25,024,471		3,584,156		15,358,237		7,072,249

SEC Query No.12

Information as required under schedule-XI, Part-II, Para-4 of the Companies Act 1994

Ans:

Disclosure on managerial remuneration

Managerial remuneration paid or payable during the financial year to the directors including managing director, a managing agent or manager as on 31st December 2009 are as follows:

Name	Designation	Remuneration From 1/10/09 to 31/12/09
Md. Moslehuddin	Chairman	1,50,000
S.M Saifur Rahman	Managing Director	3,00,000
Md.Afzal	Director	1,50,000
Md.Ziauddin	Director	1,50,000
Total		<u>7,50,000</u>

The Directors are taking monthly remuneration since October 2009. Directors are providing full time service to the company and they did not take any benefit from the company other than monthly remuneration.

- Expense reimbursed to the managing agent.
Nil.
- Commission or other remuneration payable separately to a managing agent or his associate
Nil.
- Commission receive or receivable by the managing agent and his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company
Nil.
- The money value of the contracts for the sale or purchase goods and material or supply of services, entered in to by the company with the managing agent or his associate during the financial years.
Nil.

- e. Any other perquisites or benefits in cash or in kind stating.
Nil.
- f. Other allowances and commission including guarantee commission.
Nil.
- g. Pensions, etc;
- | | |
|--|-----|
| 1. Pensions | Nil |
| 2. Gratuity | Nil |
| 3. Payment from provident fund | Nil |
| 4. Compensations for loss of office | Nil |
| 5. Consideration in connection with retirement from office | Nil |

SEC Query No.13

Information as required under schedule-XI, Part-II, Para-7 of the Companies Act 1994 regarding capacity utilization;

Ans:

Production Capacity and Current Utilization:

AFCL has set up a multi-purpose bulk drugs and fine chemicals manufacturing facility at Munshiganj, 20 km away from capital Dhaka. The plant is established on the 3.60 acre land and the facility currently has 40 Kilo Liters reagent production capacity monthly.

As the company obtained the license for producing APIs during early October 2009, the production capacity utilization is yet to get the momentum. Detailed product wise monthly production capacity and current production level is given below:

Product	Installed Capacity	Current Utilization
HPLC Grade solvents	10 KL	1.5 KL
Solvents	20 KL	3.0 KL
Powder reagents	10000 KG	1500 KG
Azithromycin	3000 KG	300 KG
Clarithromycin	2000 KG	300 KG
Erythromycin Ethyl Succinate	5000 KG	750 KG
Erythromycin Stearate	5000 KG	750 KG

The drug administration is the main regulatory authority. We have been informed that they have provided permission/license for producing different types of API products (Biological & other special product). The license does not control production capacity of the products.

SEC Query No. 14

Information as required under schedule-XI, Part-II, Para-8 of the Companies Act 1994

Ans:

Value of import at CIF basis

Particulars	Value in taka
Raw & Packing materials	1,61,54,439
Machinery	4,59,17,406

SEC Query No. 15

Subsequent Events After the Balance Sheet date has not disclosed information about issuance of 40,00,000 share ;

Ans:

Subsequent Event after the Balance sheet Date;

The company issued 40,00,000 ordinary shares of taka 10.00 each fully paid in cash on 6/3/2010 which we were not aware of while certifying Financial Statements. However, the total paid up capital of the company has been raised to the tune of taka 24,00,00,000 up to 31/03/2010 which we have certified on 13/4/2010. Except this, there is no significant event after ending of balance sheet date till signing of financial Statements.

SEC Query No. 16

Rate of interest on loans taken from directors.

Ans:

Loan from directors and others bears no interest

SEC Query No. 17

Statement as required under section 135(1) under paragraph 24(1) of part II of the companies Act, 1994.

Ans:

The statements of operating results of the Company are as under:

Particulars	31/12/2009	31/12/2008	31/12/2007	31/12/2006	31/12/2005
Net Turnover	22,528,188	-	-	-	-
Cost of Goods sold	(12,629,587)	-	-	-	-
Gross Profit	9,898,601	-	-	-	-
Operating Expense	(1,658,266)	-	-	-	-
Administrative expense	(884,064)	-	-	-	-
Selling & Distribution expenses	(774,202)	-	-	-	-
Profit from operation	8,240,335	-	-	-	-
Financial cost	(2,681,314)	-	-	-	-
Net profit before WPPF	5,559,021	-	-	-	-
Provision for contribution to WPPF	(277,951)	-	-	-	-
Profit after WPPF	5,281,070	-	-	-	-
Provision for Income Tax	-	-	-	-	-
Net Profit after Tax	5,281,070	-	-	-	-
Earning per share (EPS)	0.51				

		-	-	-	-
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- a. The Company was Incorporated as Private limited company & obtained the Certificated of Incorporation under the Company Act-1994, on 1st December 2004. Subsequently it was converted to Public limited company on 9th December 2009.
- b. The Company has started its manufacturing from October-2009.
- c. The Company did not declare any dividend for the year 2009.

SEC Query No. 18

Special report as required under rule of 8 (B) (7)(18) of the “Securities and Exchange Commission (Public Issue) Rules, 2006”.

Ans:

This is to certify that the Capital structure of Active Fine Chemicals Ltd. as on 31/3/2010 is as follows:

Authorized Capital: 10,00,00,000 Ordinary Shares @ Tk. 10 each	100,00,00,000
Issued, Subscribed and Paid up Capital: 2,00,00,000 Ordinary @ Tk. 10 each in fully in cash	
At the time of Incorporation	9,60,00,000
Issued as on 8/12/2009	10,40,00,000
Issued as on 6/3/2010	4,00,00,000
Total	24,00,00,000

We certify that the Company does not issue any shares otherwise than cash and the books of accounts of the Company have been verified and found in order.

Date:-16th May, 2010
& Co
Dhaka

Sd/-
Khan Wahab Shafique Rahman
Chartered Accountants

