

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Financial Position (Un-Audited)
As at September 30, 2022

Particulars	Notes	Amount in Taka	
		30-09-2022	30-06-2022
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	4.00	3,215,298,723	3,169,560,395
Current Assets:			
Inventories	5.00	205,548,001	56,547
Advances, Deposits and Prepayments	6.00	8,602,012	12,276,505
STD Account (Dividend)	7.00	675,784	675,784
Cash and Cash Equivalents	8.00	269,109,761	265,408,223
TOTAL ASSETS		3,699,234,281	3,447,977,454
EQUITY AND LIABILITES			
Shareholder's Equity			
Share Capital	9.00	2,180,934,230	2,180,934,230
Retained Earnings	10.00	445,199,159	458,705,295
Non-Current Liabilities			
Deferred Tax Liability	11.00	-	-
Current Liabilites			
Term Loan	12.00	542,857,000	494,733,000
Short term borrowings	13.00	509,601,849	303,804,964
Provision for Income Tax	14.00	5,417,191	5,180,976
Unpaid or Unclaimed Dividend	15.00	675,784	675,784
Creditors and accruals	16.00	14,549,068	3,943,206
TOTAL EQUITY AND LIABILITES		3,699,234,281	3,447,977,454
Net Asset Value per Share (NAV)	27.00	12.04	12.10


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Place: Dhaka
Dated: November 14, 2022



FAR CHEMICAL INDUSTRIES LIMITED
Statement of Profit or Loss and other Comprehensive Income (Un-Audited)
For the period ended September 30, 2022

Particulars	Notes	Amount in Taka	
		July 2022 to September, 2022	July 2021 to September, 2021
Revenue	17.00	-	34,872,966
Cost of Sales	18.00	-	35,602,931
Gross Profit		-	(729,965)
Operating Expenses		13,696,682	4,847,034
Selling & Distribution	19.00	3,857,040	2,555,701
Administrative Expenses	20.00	9,783,827	2,126,460
Employee Welfare Expenses	21.00	55,815	164,873
Profit from Operation		(13,696,682)	(5,576,999)
Financial Expenses	22.00	432,203	132,679
Add: Foreign Exchange Gain/(Loss)	23.00	-	5,089
		(14,128,885)	(5,704,589)
Add: Other Income	24.00	858,965	2,687
Net profit before tax		(13,269,920)	(5,701,902)
Income Tax Expenses	25.00	236,215	419,653
Profit after tax		(13,506,135)	(6,121,555)
Basic Earnings Per Share (EPS)	26.00	(0.06)	(0.03)

* EPS calculated based on weighted average number of shares.



Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Dated: November 14, 2022



FAR CHEMICAL INDUSTRIES LIMITED
Statement of Cash Flows (Un-Audited)
For the period ended September 30, 2022

Particulars	Amount in Taka	
	July 2022 to September, 2022	July 2021 to September, 2021
A. Cash Flows From Operating Activities:		
Receipt from customers	-	83,769,383
Receipt form other income	858,965	2,687
Payment for Cost of Expenses	(194,058,646)	(1,442,600)
Payment for operating Expenses	(2,704,537)	(10,206,285)
Payment for employee welfare expenses	(55,815)	(164,873)
Payment for Inocme Tax	(236,215)	-
Net cash flows from Operating activities	(196,196,248)	71,958,312
B. Cash Flows From Investing Activities:		
Acquisition of Property, Plant & Equipment	(53,592,835)	(75,416,522)
Net cash flows from investing activities	(53,592,835)	(75,416,522)
C. Cash Flows From Financing Activities:		
Receipt/(Payment) against short term loan	48,124,000	21,500,000
Increase / (Decrease) in Short term loan from bank	205,796,885	-
Payment of financial expenes	(432,203)	(132,679)
Net Cash flows from financing activities	253,488,682	21,367,321
D. Increase/(Decrease) cash and cash equivalents (A+B+C)	3,699,599	17,909,111
E. Add: Foreign Exchange Gain/(Loss)-FC A/C	1,938	1,117
F. Opening cash and cash equivalents	265,408,223	248,901,502
G. Closing cash and cash equivalents (D+E+F)	269,109,761	266,811,730
Net Operating Cash Flows per Share (NOCFPS)	28.00	0.33
	(0.90)	



 Chairman



 Managing Director



 Director



 Chief Financial Officer



 Company Secretary

Place: Dhaka
 Dated: November 14, 2022



FAR CHEMICAL INDUSTRIES LIMITED
Statement of Changes in Equity (Un-Audited)
For the period ended September 30, 2022

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2022	2,180,934,230	458,705,294	2,639,639,524
Add: Current Period Net Profit	-	(13,506,135)	(13,506,135)
Total	2,180,934,230	445,199,159	2,626,133,389

FAR CHEMICAL INDUSTRIES LIMITED
Statement of Changes in Equity (Un-Audited)
For the period ended September 30, 2021

Particulars	Ordinary Share Capital	Retained Earnings	Total
As at July 01, 2021	2,180,934,230	808,776,253	2,989,710,483
Add: Current period net profit	-	(6,121,555)	(6,121,555)
Total	2,180,934,230	802,654,698	2,983,588,928



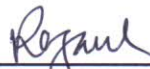
Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Dated: November 14, 2022



FAR Chemical Industries Limited
Notes to the Financial Statements
For the year ended September 30, 2022

1.00 Reporting Entity

1.01 Background of the Company

FAR Chemical Industries Limited (the Company') was incorporated in Bangladesh on 22 March 2007 as a Private Limited Company under the Companies Act 1994 vide incorporation no. C-66261(3753)/07 with its Corporate office at House No: 11 (Floor: 5-A), Road No: 12, Niketon, Gulshan-1, Dhaka-1212 and Registered office is situated at Plot # 135-136 in CEPZ, Comilla Export Processing Zone, Comilla, Bangladesh. The production unit has been shifted from EPZ, Cumilla to Rupganj, Narayanganj. The company has been converted to Public Limited Company under the Companies Act 1994 on 19 June 2012 and issue of Public offer of 12,000,000 ordinary shares of Tk. 10.00 each at par totaling to Tk.120,000,000 as Bangladesh Securities and Exchange Commission (BSEC) ref no. BSEC/CI/IPO-220/2013/98 dated February 05, 2014.

1.02 Nature of Business

The Company has undertaken business expansion for Spinning Unit at Rupganj, Narayanganj. Hence, in addition to the chemical business, the business activities of the company are also to carry on textile spinning for 100% export-oriented dyeing/textile industries.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations in Bangladesh.

2.02 Regulatory Compliances

As required FAR Chemical Industries Limited comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

The Income Tax Ordinance 1984;
The Income Tax Rules 1984;
The Value Added Tax Act 2012;
The Value Added Tax Rules 2016
The Customs Act 1969
Bangladesh labour law 2006 (Amended)
The Securities and Exchange Rules, 1987 and
Bangladesh EPZ related rules and regulations.

2.03 Measurement Bases used in preparing the Financial Statements

The financial statements have been prepared on the historical cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

2.04 Reporting Currency and Level of Precision

The financial statements are presented in Bangladeshi Taka (Taka/Tk), which is the Company's functional currency. All financial information presented in Taka have been rounded off to the nearest Taka.

2.05 Preparation and Presentation of Financial Statements of the Company

The Board of Directors of FAR Chemical Industries Ltd is responsible for the preparation and presentation of financial statements.



2.06 Reporting Period

The financial period of the companies covers one year from 1 July 2022 to 30 September 2022 and is followed consistently.

2.07 Cash Flow Statement

Statement of cash flows is prepared in accordance with “IAS 7: Statement of Cash Flows” and the cash flow from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules, 1987 and considering the provisions that “Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method”.

3.00 Significant Accounting Policies

3.01 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 “Presentation of Financial Statements” the complete set of financial statements includes the following components.

- i. Statement of financial position as at 30 September, 2022
- ii. Statement of Profit or Loss and other comprehensive income for the financial period ended on 30 September, 2022
- iii. Statement of Cash Flows for the financial period ended on 30 September, 2022
- iv. Statement of changes in equity for the financial period ended on 30 September, 2022
- v. Accounting policies and explanatory notes for the financial period ended on 30 September, 2022

3.02 Inventories

Inventories are measured at lower of cost and ex-factory net realizable value in compliance with “IAS 2: Inventories”. The cost of inventories is based on weighted average principle and includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion. When the inventories are used, the carrying amounts of those inventories are recognized as expense in the year in which the related revenue is recognized.

3.03 Revenue

In compliance with the requirements of IFRS 15 Revenue from contracts with customers, Entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized only when following steps match with a transaction;

- a) Identification of the contract(s) with a customer;
- b) Identification of the performance obligation in a contract;
- c) Determine the transaction price;
- d) Allocate the transaction price to the performance obligations in the contract;
- e) Recognition revenue when (or as) the entity satisfies a performance obligation by transferring control over goods or services to a customer;

Sales Revenue not yet started after shifting of the factory plant, Equipment and Machineries from EPZ- Cumilla to own premises at Rupgonj, Narayangonj.

3.04 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: “The effect of changes in Foreign Exchange Rates”. Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange date ruling at the date of transactions. Foreign exchange



fluctuation gain/losses are charged to statement of Profit or Loss and Other Comprehensive Income whenever arise.

3.05 Financial Expenses

Financial costs comprise of interest expense on short term loan. The costs are charged to revenue except those are capitalized in accordance with IAS 23: Borrowing Costs.

3.06 Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital.

Trade Receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivable at the year end, if any. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using exchange rates prevailing on the date of transaction.

Trade Payables

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short term investments which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

Share Capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

3.07 Taxation

3.07.1 Current Tax

Provision for income tax has been made as per Income Tax Ordinance 1984 as applicable for the publicly listed company.

3.07.2 Deferred Tax

Deferred tax arises due to temporary difference deductible or taxable for the transaction. A temporary difference between the tax base of an asset or liability and its carrying amount/or amount in the Statement of Financial Position. Deferred tax assets or liability is the year income

3.08 Earnings per Share (EPS)

This has been calculated in compliance with the requirements of "IAS 33: Earnings per Share" by dividing the basic earnings by the weighted average number of ordinary Shares outstanding during the year.

Basic Earnings

This represents earnings for the period attributable to the ordinary shareholders. As there are no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per share has been calculated by dividing the net profit or loss by the number of weighted average ordinary share outstanding during the year.

Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.



However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period.

3.09 Impact of Covid-19 and Decline of Revenue

There are no going concern threats due to Covid-19 as the company has adequate resources to continue in future. However, being a deemed export oriented company it has been facing global impact of Covid-19. During the year the company has sold its inventories only at a lesser price because of shifting process of the factory from EPZ Cumilla to its newly constructed factory at Rupgonj, Narayagonj.

3.10 Expansion, shifting process of Chemical factory's Plant & Equipments and Production of the Company:

(a) Completion of Construction of Spinning Unit and start of Production:

The company has completed construction work of spinning unit in its own premises at Rupgonj Narayagonj and has started its trial production on October 17, 2022 and commercial production will be started within the month of November 2022. The capacity of the unit is 33,600 spindles and daily production capacity will be 18 ton per day.

(b) Completion of Construction and Shifting Process of Chemical Unit and Start of Production:

The Company has constructed a chemical factory in its own premises at Rupgonj, Narayagonj and also has completed shifting of Chemical factory's plant, equipment and machineries from Cumilla EPZ to newly constructed chemical factory at Rupgonj, Narayagonj.

Presently, chemical plant and equipments are non-functioning due to non-functioning of some machineries. To make it functioning, these plant and equipments need to be procured which are costly; moreover decision depends on global impact of Ukraine war, volatile garments buying orders and increased price of raw materials. So the management is considering whether running the chemical factory will be viable.

3.11 Amalgamation/Merger of S.F. Textile Industries Ltd. with FAR Chemical Industries Ltd.:

Amalgamation/merger of S.F. Textile Industries Ltd. with FAR Chemical Industries Ltd. has been decided. The application for amalgamation process has been admitted by the High Court Division of the Supreme Court of Bangladesh. Shareholders and the Creditors of both the Company has accepted the decision of amalgamation/merger following EGMs and Creditors Meetings.



FAR Chemical Industries Ltd
Notes to the Financial Statements
For the period ended September 30, 2022

Notes	Particulars	Amount in Taka	Amount in Taka
		30-09-2022	30-06-2022
4.00	Property, Plant & Equipment	3,215,298,723	3,169,560,395
5.00	Inventories		
	Opening balance	56,547	56,547
	Add: Import of Raw Cotton	205,491,454	-
		<u>205,548,001</u>	<u>56,547</u>
6.00	Advances, Deposits and Prepayments	8,602,012	12,276,505
7.00	STD Account (Dividend)	675,784	675,784
8.00	Cash and Cash Equivalents		
	Cash in hand - Head Office	31,927	29,096
	Cash in hand - Factory	167,824	148,791
	Cash at bank	11,678,274	11,054,669
	Cash at bank: FDR (Notes - 8.01)	257,231,736	254,175,667
		<u>269,109,761</u>	<u>265,408,223</u>
8.01	Cash at bank: FDR		
	Al-Arafah Islami Bank Ltd # 9398	41,422,690	41,422,690
	Al-Arafah Islami Bank Ltd # 9409	41,422,690	41,422,690
	Al-Arafah Islami Bank Ltd # 9411	41,422,690	41,422,690
	Al-Arafah Islami Bank Ltd # 9422	20,696,211	20,696,211
	Al-Arafah Islami Bank Ltd # 9455	41,514,031	41,514,031
	Al-Arafah Islami Bank Ltd # 9477	16,663,512	16,281,285
	Al-Arafah Islami Bank Ltd # 9578	9,323,861	9,160,331
	Al-Arafah Islami Bank Ltd # 9646	12,960,368	12,733,056
	Al-Arafah Islami Bank Ltd # 15881	12,500,000	12,500,000
	Al-Arafah Islami Bank Ltd # 9848	1,121,683	1,121,683
	Al-Arafah Islami Bank Ltd # 11031	5,450,000	5,450,000
	Al-Arafah Islami Bank Ltd # 11075	2,044,000	2,044,000
	Al-Arafah Islami Bank Ltd # 11119	2,080,000	2,080,000
	Al-Arafah Islami Bank Ltd # 11132	2,802,000	2,802,000
	Al-Arafah Islami Bank Ltd # 11143	2,102,000	2,102,000
	Al-Arafah Islami Bank Ltd # 11154	1,423,000	1,423,000
	Al-Arafah Islami Bank Ltd # 11683	2,283,000	-
		<u>257,231,736</u>	<u>254,175,667</u>
9.00	Share Capital		
	Authorized share capital :		
	300,000,000 ordinary shares of Taka 10/= each.	<u>3,000,000,000</u>	<u>3,000,000,000</u>
	Issued, subscribed and paid-up capital:		
	218,093,423 Ordinary Shares of Tk. 10/- each fully paid-up	<u>2,180,934,230</u>	<u>2,180,934,230</u>
	The shareholding position of the company are as under:		

Name	No of shares	Percentages (%)	Amount in Taka
Sponsors & Directors	65,957,620	30.24%	659,576,200
Local Institutions	30,118,702	13.81%	301,187,020
General Shareholder	122,017,101	55.95%	1,220,171,010
Total	218,093,423	100.00%	2,180,934,230

Notes	Particulars	Amount in Taka	Amount in Taka
		30-09-2022	30-06-2022



10.00	Retained Earnings		
	Opening balance	458,705,295	808,776,253
	Less: Dividend	-	(21,809,343)
		<u>458,705,295</u>	<u>786,966,910</u>
	Add: Profit/(Loss) during the period	(13,506,135)	(84,200,688)
	Less: Loss on disposal/adjustment of various fixed assets	-	(244,060,927)
		<u>445,199,159</u>	<u>458,705,295</u>
11.00	Deferred Tax Liability	-	-
	Trade and Other Payables	-	-
12.00	Term Loan	542,857,000	494,733,000
		<u>542,857,000</u>	<u>494,733,000</u>
13.00	Short Term borrowings		
	EDF/AIBL	203,456,885	-
	Short term borrowings (13.01)	306,144,964	303,804,964
		<u>509,601,849</u>	<u>303,804,964</u>
13.01	Short term borrowings		
	Samin Food and Bevarage & Textile Mills Ltd	41,636,964	41,636,964
	MN Industries Ltd	84,900,000	84,900,000
	Rezwana Rahman Rini	88,600,000	88,600,000
	SF Textile Ind. Ltd.	78,508,000	76,168,000
	Rajon Industries Ltd.	12,500,000	12,500,000
		<u>306,144,964</u>	<u>303,804,964</u>
14.00	Provision for Income tax		
	Opening balance	5,180,976	3,176,822
	Add: Current Period Charged	236,215	5,154,055
	Less: Adjustment	-	(3,149,901)
		<u>5,417,191</u>	<u>5,180,976</u>
15.00	Unclaimed Dividend Account	675,784	675,784
16.00	Creditors and Accruals	14,549,068	3,943,206
		<u>14,549,068</u>	<u>3,943,206</u>
		01-07-2022	01-07-2021
		to	to
		30-09-2022	30-09-2021
17.00	Revenue	-	34,872,966
		<u>-</u>	<u>34,872,966</u>
18.00	Cost of Goods Sold		
	Cost of Goods Sold	-	35,602,931
		<u>-</u>	<u>35,602,931</u>
19.00	Selling & Distribution	3,857,040	2,555,701
20.00	Administrative Expenses	9,783,827	2,126,460
21.00	Employee Welfare Expenses	55,815	164,873
		<u>13,696,682</u>	<u>4,847,034</u>
22.00	Financial Expenses		
	Bank Charge & Commission	165,781	132,679
	Interest on Murabaha TR / EDF	266,422	-
		<u>432,203</u>	<u>132,679</u>
23.00	Foreign Exchange Gain/(Loss)		
		-	5,089
		<u>-</u>	<u>5,089</u>



24.00 Other Income			
Profit on MTDR		858,965	2,687
		<u>858,965</u>	<u>2,687</u>
25.00 Income Tax Expenses			
Current Tax on operating income (Note 25.01)		-	
Current Tax on other income @ 27.50%		236,215	
Deferred Tax (Note 25.02)		-	
		<u>236,215</u>	
25.01 Current Tax			
Profit before Tax		(13,269,920)	
Add: Depreciation as Accounting base		7,854,508	
Less: Depreciation as Tax base		10,892,902	
Taxable Income or Loss		<u>(16,308,315)</u>	
Tax Rate		20%	
Current Tax		(3,261,663)	
Minimum Tax		-	
So, Current Tax during the period		<u>-</u>	
25.02 Deferred Tax			
Property, Plant & Equipment			
Carrying amount as Accounting base		3,215,298,723	
Carrying amount as Tax base		2,977,696,862	
Difference		<u>237,601,861</u>	
Tax Rate		20%	
Total maximum deferred tax liability at the end of the period		47,520,372	
Total maximum deferred tax liability at the beginning of the period		-	
Total maximum deferred tax for the period		<u>47,520,372</u>	
Total tax for the year		236,215	
Less: Current tax (Tax on other income) for the period		236,215	
Deferred tax as per total tax liability		<u>-</u>	
Deferred tax for the period		<u>-</u>	
26.00 Basic earnings per share for the period:			
Earnings from Core Business			
a) Net Profit after Tax		(13,506,135)	(6,121,555)
b) Weighted average number of shares outstanding		218,093,423	218,093,423
Basic earnings per share (Adjusted)		<u>(0.06)</u>	<u>(0.03)</u>

Weighted average number of shares outstanding

For the year 2022-2023	Number of Share	Weight	Weighted average no.of shares
Particulars			
Opening Shares	218,093,423	365/365	218,093,423
Total	218,093,423		218,093,423



27.00 Net Assets Value (NAV) per share

Total Assets
 Less: Total outside liability
a. Net Asset Value
 b. Total number of shares outstanding
Net Assets Value (NAV) per share (a/b)

Amount in Taka	
30-09-2022	30-06-2022
3,699,234,281	3,447,977,454
1,073,100,892	808,337,929
2,626,133,389	2,639,639,525
218,093,423	218,093,423
12.04	12.10

28.00 Net operating cash flow per share (NOCFPS)

a) Net Operating Cash Flow (Numerator)
 b) No of Shares outstanding
Net operating cash flow per share (NOCFPS) (a/b)

Amount in Taka	Amount in Taka
30-09-2022	30-09-2021
(196,196,248)	71,958,312
218,093,423	218,093,423
(0.90)	0.33

29.00 Reconciliation of cash generated by operations

Net Profit/(Loss) Before Tax
 Add: Depreciation
 Increase/Decrease in inventory
 Financial Expenses
 Increase/Decrease in bills receivables
 Increase/Decrease in advance, deposits & prepayments
 Increase/Decrease in creditors & accrues
 Foreign Exchange Gain/Loss

Amount in Taka	Amount in Taka
30-09-2022	30-09-2021
(13,269,920)	(5,701,902)
7,854,508	11,771,643
(205,491,454)	24,731,730
432,203	132,679
-	48,892,445
3,674,491	(2,201,783)
10,605,863	(5,665,384)
(1,938)	(1,117)
(196,196,248)	71,958,312

