

**AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
OF
FAR CHEMICAL INDUSTRIES LIMITED
FOR THE YEAR ENDED 30 JUNE 2016**



AHMAD & AKHTAR

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of
FAR Chemical Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **FAR Chemical Industries Limited** which comprises the Statement of Financial Position as at 30 June 2016 and Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of, the financial position of FAR Chemical Industries Limited as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Bangladesh Securities and Exchange Rules 1987, we also report that:

- 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;
- in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flows dealt with the report are in agreement with the books of account; and
- the expenditure incurred was for the purpose of the company's business.

Date: 03 October 2016
Place: Dhaka




AHMAD & AKHTAR
Chartered Accountants

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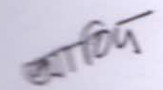
Chittagong Branch Office:

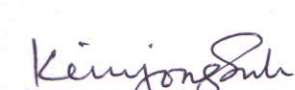
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FAR Chemical Industries Limited
Statement of Financial Position
As at June 30, 2016

	Notes	Amount in Taka	
		30-06-2016	30-06-2015
Assets			
Non-current assets			
Property, plant & equipment	4.00	1,194,049,997	861,078,254
Security deposit	5.00	1,192,501,526	859,529,783
		1,548,471	1,548,471
Current assets			
Inventories	6.00	1,125,987,198	1,113,378,741
Trade receivables	7.00	397,370,281	374,399,878
Advances, deposits and prepayments	8.00	599,010,464	644,292,072
STD Account (IPO)	9.00	51,263,934	51,710,861
Cash and cash equivalents	10.00	2,980,000	3,035,000
		75,362,519	39,940,930
Total Assets		2,320,037,195	1,974,456,995
Shareholder Equity and Liabilities			
Shareholders' equity			
Share capital	11.00	2,273,280,690	1,928,769,589
Retained earnings	12.00	1,365,473,470	1,092,378,780
		907,807,220	836,390,809
Current Liabilities			
Trade payables	13.00	46,756,505	45,687,406
Short term borrowings	14.00	34,150,610	31,937,074
Share Money Deposits (IPO)	15.00	2,125,487	4,521,876
Creditors and accruals	16.00	2,980,000	3,035,000
		7,500,408	6,193,456
Total Shareholder Equity and Liabilities		2,320,037,195	1,974,456,995
Net Assets Value (NAV) per share	25.00	16.65	17.66
Net Assets Value (NAV) per share (Restated)	25.00	16.65	14.13

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


Chairman



Managing Director


Company Secretary


Chief Financial Officer

As per our annexed report of even date

Dated: October 03, 2016
Place: Dhaka



AHMAD & AKHTAR
Chartered Accountants

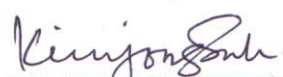


FAR Chemical Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2016

	Notes	Amount in Taka	
		30-06-2016	30-06-2015
Revenue	17.00	1,492,738,046	1,308,365,030
Less: Cost of sales	18.00	1,130,040,949	998,740,653
Gross profit		362,697,097	309,624,377
Less: Operating expenses			
Selling and distribution expenses	19.00	8,448,149	8,274,333
Administrative expenses	20.00	9,337,407	6,993,120
Employee Welfare expenses	21.00	689,091	628,579
		18,474,647	15,896,032
Profit from operation		344,222,450	293,728,345
Less: Financial expenses	22.00	465,214	181,524
		343,757,236	293,546,821
Add: Other income	23.00	753,865	4,914,309
Profit before tax		344,511,101	298,461,130
Less: Income tax expenses		-	-
Profit after tax		344,511,101	298,461,130
Basic Earnings Per Share (EPS)	24.00	2.52	2.73
Basic Earnings Per Share (Restated)	24.00	2.52	2.19

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


Chairman


Managing Director


Company Secretary


Chief Financial Officer

As per our annexed report of even date

Dated: October 03, 2016
Place: Dhaka


AHMAD & AKHTAR
Chartered Accountants



FAR Chemical Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2016

Particulars	Share capital	Retained earnings	Total
	Taka	Taka	Taka
Balance at July 01, 2015	1,092,378,780	836,390,809	1,928,769,589
Bonus Issue	273,094,690	(273,094,690)	-
Profit during the year	-	344,511,101	344,511,101
Balance at 30 June 2016	1,365,473,470	907,807,220	2,273,280,690

FAR Chemical Industries Limited
Statement of Changes in Equity
For the year ended June 30, 2015

Particulars	Share capital	Retained earnings	Total
	Taka	Taka	Taka
Balance at July 01, 2014	910,315,650	719,992,809	1,630,308,459
Bonus Issue	182,063,130	(182,063,130)	-
Profit during the year	-	298,461,130	298,461,130
Balance at 30 June 2015	1,092,378,780	836,390,809	1,928,769,589


Chairman


Managing Director


Company Secretary


Chief Financial Officer

As per our annexed report of even date

Dated: October 03, 2016
Place: Dhaka


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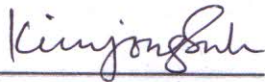
FAR Chemical Industries Limited
Statement of Cash Flows
For the year ended June 30, 2016

Notes	Amount in Taka	
	30-06-2016	30-06-2015
A. Cash flows from operating activities:		
Receipt from customers	1,538,019,654	1,070,174,954
Receipt from other income	753,865	4,914,309
Payment for cost of expenses	(1,078,428,285)	(1,033,508,695)
Payment for operating expenses	(16,294,141)	(27,116,882)
Payment of financial expenses on short term loan	(465,214)	-
Net cash from operating activities	443,585,879	14,463,686
B. Cash flows from investing activities:		
Acquisition of property, plant and equipment	(405,767,901)	(128,797,569)
Increase in STD Account	-	152,951,104
Net cash used in investing activities	(405,767,901)	24,153,535
C. Cash flows from financing activities:		
Receipt/(Payment) against short term loan	(2,396,389)	(4,020,281)
Increase in Share Money Deposit	-	(3,247,239)
Payment of financial expenses	-	(181,524)
Net Cash used in financing activities	(2,396,389)	(7,449,044)
D. Net increase in cash and cash equivalents (A+B+C)	35,421,589	31,168,177
E. Opening cash and cash equivalents	39,940,930	8,772,753
F. Closing cash and cash equivalents (D+E)	75,362,519	39,940,930
Net Operating Cash Flow Per Share (NOCFPS)	26.00	0.13
Net Operating Cash Flow Per Share (Restated)	26.00	0.11

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



Chairman



Managing Director



Company Secretary



Chief Financial Officer

Dated: October 03, 2016

Place: Dhaka



FAR Chemical Industries Limited

**Notes, comprising a summary of significant accounting policies and other explanatory information
For the year ended June 30, 2016**

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. Corporate office of the company is located at M.L Tower, DIT Road, 1 East Rampura, Dhaka-1219. Its registered office and the factory are situated at Plot # 135-136 in Comilla Export Processing Zone, Comilla, Bangladesh. The company started its commercial operation on 08 January, 2009. Subsequently the company has been converted into 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 principal activities of the Company are to manufacture and export of Chemical products to different export oriented Textiles, Dyeing and Apparel industries. Some of the Principal products and services are:

- Softening Agent
- Scouring Agent;
- Anti-Foaming Agent;
- Leveling Agent;
- Fixing Agent;
- Stabilizer;
- Retarding Agent;
- Bleaching Agent and
- Other chemical products.

1.03 Capital Structure of the Company

Particulars	Taka
Authorized Capital 300,000,000 ordinary shares of Taka 10/= each.	3,000,000,000
Issued, subscribed, called-up and paid-up capital 136,547,347 Ordinary Shares of Tk 10/= each fully paid-up	1,365,473,470

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), 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 1991; and
- The Value Added Tax Rules 1991.



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 Use of Estimates and Judgments

The preparation of these financial statements in conformity with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected thereby.

In particular, information about significant areas of estimation on uncertainty and critical judgments in applying accounting policies that have the most significant affect on the amounts recognized in the financial statements are included in the following notes:

Note: 4 Property, Plant and Equipment

Note: 6 Inventories

Note: 7 Trade Receivables

Note: 8 Advance, Deposit and Pre-payments

Note: 13 Trade Payable

2.07 Reporting Period

The financial period of the companies covers one year from 1 July 2015 to 30 June 2016 and is followed consistently.

2.08 Statement of Cash Flows

Statement of cash flows is prepared in accordance with "BAS 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".

2.09 Compliance with the Requirements of Notification of the Securities and Exchange Commission dated 04.06.2008 under ref. # SEC/CMMRPC/2008-181/53/Adm/03/28

- a) Notes to the financial statements marked from 3.00 to 3.16 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.
- b) The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.18.
- c) The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements as applicable:

Sl. No.	Name of the BAS	BAS's no.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statements of Cash Flows	7
4	Accounting policies, Changes in accounting Estimates & Errors	8
5	Events after the Reporting Period	10
6	Construction Contracts	11
7	Income Taxes	12
8	Property, Plant and Equipment	16
9	Leases	17
10	Revenue	18
11	Employees Benefits	19
12	Accounting for Government Grants & Disclosure of Government Assistance	20
13	The Effects of Changes in Foreign Exchange Rates	21
14	Borrowing Costs	23
15	Related Party Disclosures	24
16	Accounting and Reporting by Retirement Benefit Plans	26
17	Consolidated and Separate Financial Statements	27
18	Investment in Associates and Joint Ventures	28
19	Financial Reporting in Hyperinflationary Economics	29
20	Financial Instruments: Presentation	32
21	Earnings Per Share	33
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23	Impairment of Assets	36
24	Provision, Contingent Liabilities and Contingent Assets	37
25	Intangible Assets	38
26	Financial Instruments: Recognition & Measurement	39
27	Investment Property	40
28	Agriculture	41

SL. No.	Name of the BFRS/IFRS	BFRS/IFRS No
1	First-time Adoption of Bangladesh Financial Reporting Standards	1
2	Share based payment	2
3	Business Combinations	3
4	Insurance Contracts	4
5	Non-Current Assets held for sale and discontinued operations	5
6	Exploration for and evaluation of mineral resources	6
7	Financial Instruments: Disclosures	7
8	Operating Segments	8
9	Financial Instruments	9
10	Consolidate Finance Statements	10
11	Joint Arrangements	11
12	Disclosure of Interests in Other Entities	12
13	Fair Value Measurement	13

- d) The financial statements are in compliance with the Bangladesh Financial Reporting Standards (BFRS) which are adopted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

3.00 Significant Accounting Policies

3.01 Property, Plant & Equipment

3.1.1 Recognition and Measurement

Tangible fixed assets are accounted for according to "BAS 16: Property, Plant and Equipment", Items of property, plant and equipment are measured at cost or revaluation less accumulated depreciation. The cost of acquisition of an asset comprises its purchase price and any attributable cost of bringing the assets to its working condition for its intended Expenditure incurred after the assets have been put into use, such as repairs maintenance is normally charged off as revenue expenditure in the year in which it incurs. In situation where it can be clearly demonstrated that the expenditure has resulted increase in the future economic benefit expected to be obtained from the asset expenditure is capitalized as an additional cost of the assets.

3.1.2 Depreciation

Depreciation is provided on Reducing Balance Method except Leasehold Land Development (Comilla EPZ) on the value at which the assets carried in the books of Accounts. Depreciation is charged at the rates varying from 3.33% to 20% depending on the estimated useful life of assets. Depreciation is provided on Leasehold Land development on straight-line method the lease term of 30 years. Depreciation has been charged on additions during the year of available for utilization of Property, Plant & machinery.

Rates of depreciation of assets considering their useful lives are as follows:

<u>Category</u>	<u>Rate</u>
Leasehold Land Development	3.33%
Land and Land Development	0%
Factory Buildings	2.50%
Plant and Machinery	10%
Electrical Installation	10%
Compressor	10%
Forklift	10%
Water Line Installation	10%
Office Equipment	20%

3.1.3 Disposal of fixed assets

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in the statement of comprehensive income. There was no disposal of asset during the year.

3.02 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as BAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. statement of financial position as at June 30, 2016;
- ii. statement of profit or loss & other comprehensive income for the year ended June 30, 2016;
- iii. statement of changes in equity for the year ended June 30, 2016;
- iv. statement of cash flows for the year ended June 30, 2016; and
- v. notes, comprising a summary of significant accounting policies and other explanatory information for the year ended June 30, 2016.



3.03 Inventories

Inventories are measured at lower of cost and ex-factory net realizable value in compliance with "BAS 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.

3.04 Revenue

Revenue represents the ex-factory invoice value of goods supplied to customers during the period. Revenue from sale of goods is recognized in the statement of profit or loss & other comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer in compliance with BAS 18: Revenue. Sales are recognized when delivery certificate is raised against confirmed orders.

3.05 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to "BAS 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 rate ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of profit or loss & other comprehensive income for the respective period.

3.06 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 BAS 23: Borrowing Costs.

3.07 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.



3.08 Taxation

3.8.1 Current Tax

No provision is made for income tax since the Company is situated in Export Processing Zone, Comilla and as per Income Tax Ordinance 1984 vide IRD SRO No. 289-Law/89, dated 19 August 1989, all industries operated in the Bangladesh Export Processing Zone (BEPZ) have been exempted from payment of income tax for a period of 10 years from the date of commercial operation on 08 January 2009.

3.8.2 Deferred Tax

Deferred tax arises due to temporary difference deductible or taxable for the transaction which is recognized in the income statement. 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 tax recoverable or payable in future periods recognized in the current period "BAS 12: Income Tax.

Since the income of the company is exempted from tax. So the calculation of deferred not required for the company.

3.09 Provisions

As per "BAS 37: Provisions, Contingent Liabilities and Contingent Assets, a provision recognized on the date of statement of financial position if, as a result of past event Company has a present obligation that can be estimated reliably, and it is probable outflow of economic benefits will be required to settle the obligation.

3.10 Contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc are recorded it is probable that a liability has been incurred and the amount can be measured reliably accordance with "BAS 37: Provisions, Contingent Liabilities and Contingent Assets".

3.11 Earnings Per Share (EPS)

This has been calculated in compliance with the requirements of "BAS 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 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.

3.12 Segment Reporting

No segmental reporting is applicable for the company as required by "BFRS-8: Operating Segment" as the company operates in a single industry segment and within as geographical segment.



3.13 Event after Statement of Financial Position Date

In compliance with the requirements of "BAS-10: Event after the reporting period" that provide additional information about the company's position at the date of the financial position are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes (29.00) when materials.

There was no significant event that has been occurred between the statement of financial position date and date on which the financial statements are authorized for issue.

3.14 Worker's Profit Participation & Welfare Funds.

Accordance with the requirement of section 234 of Labor Act, 2006, the company should contribute 5% of net profit before charging the amount to the aforementioned fund. But the company established in Comilla Export Processing Zone and have to comply only BEPZA rules relating to services matter concerning workers and officers employed in the company operating in the Export Processing Zone Bangladesh, which imposed by BEPZA. There is no provision for Worker's Participation Fund in company's profits as per BEPZA rules.

On the other hand, the company has been paying against "Workers Welfare Fund" to BEPZA since 1st February 2013, the date of implementation of the fund by BEPZA and the expenses have already been included into "Employee Welfare Expenses" which presented in the statement of Profit or Loss and other comprehensive income.

3.15 Related Party Disclosure

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by 'BAS 24: Related Party Disclosures' has been disclosed in a separate note (note no: 27) to the accounts.

3.16 Financial Risk Management Policies

The company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The company does not hold or issue derivative financial instruments for speculative or trading purposes.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the interest rate exposure arises from short and long term borrowings from banks. The company has no significant risk of fluctuations in interest rates.

Foreign Currency Risk

The company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.



Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentrations of credit risk arise when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the company's performance to developments affecting a particular industry. The breakup amount due from customers other than related parties as disclosed in note 7.00 to these financial statements is presented below:

Due from customer other than related parties:	
Gross trade and other receivable	Tk. 599,010,464.00
Less: Related Parties	Tk. 33,542,108.00
Net from customer	<u>Tk. 565,468,356.00</u>

Out of the total trade debts of Tk. 599,010,464.00 the company has not made any provision. The aging profile to the trade debts overdue is as follows:

Time duration	Gross Amount	Impairment
Upto 6 months	599,010,464.00	-
Over 6 months	-	-
Total	599,010,464.00	-

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and bank balances and availability of funding through an adequate amount of committed credit facilities. The company aims to maintain flexibility in funding by keeping committed credit lines open. The maturity profile of the company's liabilities based on contractual maturities is as follows:

Financial Liability	Carrying Amount	On Demand	Contractual Cash flows	Upto One year	More than one year
Trade payable	34,150,610	-	34,150,610	34,150,610	-
Short term borrowing	2,125,487	-	2,125,487	2,125,487	-
Total	36,276,097	-	36,276,097	36,276,097	-



Fair Values

The fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Consequently, difference may arise between the carrying value and the fair value estimates. As at June 2016 the net fair value of all financial assets and financial liabilities are estimated to approximate their carrying values.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

3.17 Date of Authorization

These financial statements were authorized for issue on 25 September, 2016 by the board of the Directors of the company.

3.18 General

- i) Comparative figures have been re-arranged where considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.
- ii) Figures for the years 2015 have been rearranged wherever considered necessary to ensure comparability with the current year.



		Amount in Taka	
		30-06-2016	30-06-2015
4.00	Property, plant & equipment		
	At cost		
	Opening balance	1,202,001,352	1,073,203,783
	Addition during the year	405,767,901	128,797,569
		1,607,769,253	1,202,001,352
	Accumulated depreciation		
	Opening balance	342,471,569	273,620,184
	Charged during the year	72,796,158	68,851,385
		415,267,727	342,471,569
	Written down value as on June 30	1,192,501,526	859,529,783
	The details of the above is given in Annexure-A		
	Note: Addition of Land & Land development includes:		
	Deed Value of Land(113.76 decimal of land purchased out of 200 decimal)	17,568,000	4,115,000
	Registration & Other cost	2,324,990	576,100
	Land development cost	219,622,258	463,776
		239,515,248	5,154,876
	Description of land: Registered deed agreement numbers are 5245, 8011,11154, 1144, 1242 and 4865.		
5.00	Security deposit		
	Land lease at BEPZA, Plot : 135-136	1,152,985	1,152,985
	Deposit for electricity	395,486	395,486
		1,548,471	1,548,471
6.00	Inventories		
		Notes	
	Raw materials	6.01	266,854,126
	Work-in-process	6.02	251,524,187
	Packaging materials	6.03	10,875,193
	Finished goods	6.04	6,021,548
	Store items	6.05	8,121,056
			109,254,125
			4,365,289
			397,370,281
			374,399,878
6.01	Raw materials		
	Opening stock	251,524,187	198,616,971
	Add: Purchase during the year	1,016,117,904	875,214,876
	Raw materials available for production	1,267,642,091	1,073,831,847
	Less: Input to production	1,000,787,965	822,307,660
		266,854,126	251,524,187
6.02	Work-in-process		
	Opening work-in-process	10,635,218	9,204,518
	Add: Current year	1,050,848,496	868,177,014
		1,061,483,714	877,381,532
	Less: Transfer to finished goods	1,050,608,521	866,746,314
		10,875,193	10,635,218
6.03	Packaging materials		
	Opening stock	8,121,056	7,845,123
	Add: Purchase during the year	47,961,023	46,145,287
		56,082,079	53,990,410
	Less: Consumption during the year	50,060,531	45,869,354
		6,021,548	8,121,056

	Amount in Taka	
	30-06-2016	30-06-2015
6.04 Finished goods		
Opening stock	98,754,128	85,412,598
Add: Production during the year	1,140,952,902	1,012,425,062
Less: Cost of free issue	(411,956)	(342,879)
Production available for export	1,239,295,074	1,097,494,781
Less: Cost of goods sold	1,130,040,949	998,740,653
	109,254,125	98,754,128
6.05 Store items		
Opening stock	5,365,289	3,254,187
Add: Purchase during the year	26,412,051	27,652,198
	31,777,340	30,906,385
Less: Consumption during the year	27,412,051	25,541,096
	4,365,289	5,365,289
7.00 Trade receivables		
Export Bill Receivables (Note-7.01)	599,010,464	644,292,072
	599,010,464	644,292,072
7.01 Export bills receivables		
M.L Dyeing limited	33,542,108	75,396,876
Asif Fabrics Ltd	31,054,218	18,542,968
Shovon Dyeing Ltd	20,635,210	16,325,417
D.S Fashion Ltd	15,428,763	4,521,963
Javed Apparels Ltd	35,210,421	26,032,153
Knit zone Ltd	28,541,270	21,541,287
Liz Fashion Ind. Ltd	15,428,796	9,652,343
Radial International Ltd	20,845,721	22,104,256
Advance Tex Ltd	22,742,792	48,745,693
Rita Fabrics Ltd	12,148,796	35,210,356
Glare Knitting Ltd	6,352,105	18,754,126
Sea Blue Textile Ltd	30,015,478	33,255,487
Paragon Composite Ltd	33,210,457	31,281,908
Trust Knitwear Ltd	12,156,863	5,421,870
Knit Fabrics Ltd	35,541,240	15,632,416
Interstoff apparels Ltd	11,254,879	5,218,756
Southeast Fabrics Ltd	4,521,698	52,154,836
Matrix Textiles Ltd	8,542,187	9,652,103
S.M Knitwears Ltd	22,154,786	6,521,547
Stress Dress Ltd	23,201,535	35,231,474
Eon Knit Apparels Ltd	31,450,255	5,203,165
Dird Composite Tex. Ltd.	36,040,708	37,891,814
Sabah Knitting Ltd	25,841,248	16,523,154
Sardar Textiles Ltd	21,054,835	21,275,705
Base Knitting Ltd	21,023,569	23,521,026
Trams Apparels Ltd	10,192,587	9,856,263
Abdul Hai Knit Wears	7,356,897	3,410,145
Life Knitting Ltd	23,521,042	35,412,965
	599,010,464	644,292,072
Receivables due over six months	-	-
Receivables due below six months	599,010,464	644,292,072
	599,010,464	644,292,072

Amount in Taka	
30-06-2016	30-06-2015

This is considered as fully secured and guaranteed payment by export letter of credit opening bank against export order and is considered good & realizable within one year as per the terms of export letter of credit. The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Particulars	30-06-2016	30-06-2015
i. Receivables considered good in respect of which the company is fully secured	599,010,464	644,292,072
ii. Receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
iii. Receivables considered doubtful or bad	-	-
iv. Receivables due by directors or other officers & staffs	-	-
v. Receivables due from companies under same management	33,542,108	75,396,876
vi. The maximum amount of receivable due by any director or other officer of the company	-	-

7.02 Movement of Trade Receivable

Opening Balance	644,292,072	406,101,996
Add: Export/ Credit Sales during the year	1,492,738,046	1,308,365,030
Less: Realized during the year	1,538,019,654	1,070,174,954
	599,010,464	644,292,072

8.00 Advances, deposits and prepayments

Sundry Advances	8.01	49,112,221	36,498,866
Advance Salary		1,451,000	1,120,000
M/S. Abul Khair Steel		142,102	1,254,871
Advance Income Tax (AIT)		33,741	7,204,576
M/S. Sattar Enterprise		524,870	5,632,548
		51,263,934	51,710,861

8.01 Sundry Advances

Mr. MA Bari	8,542,187	750,000
Mr. Uttam Kumar	6,487,607	875,416
M/S. Gazi Enterprise	5,217,921	421,587
M/S. Omer Electrical Engineering Works	365,210	4,215,487
Md. Abul Khair Manik	19,641,258	1,854,217
M/S. United Trade Center Ltd.	985,421	4,000,067
M/S. Bangla Trac Ltd.	752,169	8,813,521
M/S. L/N Enterprise	345,287	7,842,150
M/S. Creative Design and Development	2,352,198	1,254,187
M/S. Tropical Vertical Mover	2,057,665	1,820,128
M/S. Denmark Refrigeration Workes	2,365,298	4,652,106
	49,112,221	36,498,866

8.02 Movement of Advances, deposits and prepayments

Opening Balance	51,710,861	43,187,323
Add: Addition during the year	60,677,620	45,047,769
Less: Adjustment during the year	61,124,547	36,524,231
	51,263,934	51,710,861

	Amount in Taka	
	30-06-2016	30-06-2015
9.00 STD Account		
STD Accounts (BRAC Bank)	2,980,000	3,035,000
	2,980,000	3,035,000
10.00 Cash and Cash equivalent		
Cash in hand - Head Office	4,521,048	4,721,054
Cash in hand - Factory	3,542,105	3,941,876
Cash at bank:		
Al-Arafah Islami Bank Ltd	1,183,161	18,925
Social Islami Bank Limited	33,968,561	31,252,672
Social Islami Bank Limited	32,131,978	-
Bank Asia Limited	15,666	6,403
	75,362,519	39,940,930
11.00 Share capital:		
11.01 Authorized share capital :		
300,000,000 ordinary shares of Taka 10/= each.	3,000,000,000	1,310,000,000
11.02 Issued, subscribed and paid-up capital:		
136,547,347 Ordinary Shares of Tk. 10/- each fully paid-up.	1,365,473,470	1,092,378,780

The shareholding position of the company are as under:

Name	No of shares	Percentages (%)	Amount in Taka
Abid Mustafizur Rahman	5,025,000	3.68%	50,250,000
Faiaz Kader	10,416,615	7.63%	104,166,150
Kim Jong Suk	22,005,000	16.12%	220,050,000
Rezaur Rahaman Rajon	5,225,000	3.83%	52,250,000
Other Shareholder	28,359,542	20.77%	283,595,420
General Shareholder (IPO)	65,516,190	47.98%	655,161,900
Total	136,547,347	100.00%	1,365,473,470

11.03 Classification of shareholders by holdings:
The composition of shareholders at June 30, 2016.

Ranges of Shareholdings	No. of Holder	% of holding
Less than or equal to 500 Shares	3,042	0.55%
501 to 1,000 Shares	1,948	1.16%
1,001 to 5,000 Shares	2,817	5.25%
5,001 to 10,000 Shares	736	4.02%
10,001 to 20,000 Shares	410	4.31%
20,001 to 30,000 Shares	141	2.60%
30,001 to 40,000 Shares	58	1.49%
40,001 to 50,000 Shares	42	1.42%
50,001 to 100,000 Shares	83	4.55%
100,001 to 1,000,000 Shares	56	11.34%
Over 1,000,000 Shares	19	63.31%
Total	9,352	100.0%

12.00 Retained earnings		
Opening balance	836,390,809	719,992,809
Less: Stock Dividend	273,094,690	182,063,130
	563,296,119	537,929,679
Add: Profit during the year	344,511,101	298,461,130
	907,807,220	836,390,809

	Amount in Taka	
	30-06-2016	30-06-2015
13.00 Trade Payable		
Suzhon Dashan IOE	-	12,548,766
CJTECH Co. Ltd.	11,154,287	5,214,873
SFC Co. Ltd.	11,685,420	-
SBC Co. Ltd.	11,310,903	8,541,278
OCI Corporation	-	5,632,157
	34,150,610	31,937,074
13.01 Movement of Trade Payable		
Opening Balance	31,937,074	56,140,265
Add: Import/Purchases during the year	1,064,078,927	875,214,876
Less: Payment made during the year	1,061,865,391	899,418,067
	34,150,610	31,937,074
14.00 Short term borrowings		
Trust Receipt (Note-14.01)	2,125,487	4,521,876
	2,125,487	4,521,876
14.01 Al-Arafah Islami Bank Limited sanctioned a composite working capital limit for Tk 17.00 crore to make stock of raw materials, work-in-process and finished goods in the form of:		
a) L/C limit for Tk. 15.00 crore		
b) Trust receipt (TR) for Tk. 2.00 crore and		
Terms and Conditions :		
a) Rate of profit 11.50% per annum		
b) Validity upto 22.04.2017 and can be renewable yearly.		
15.00 Share Money Deposits (IPO)		
Share Money Deposits	2,980,000	3,035,000
	2,980,000	3,035,000
16.00 Creditors and accruals		
Electricity bill	95,612	96,521
Water bill	816,521	754,186
Medical subscription-BEPZA	23,514	22,548
Salaries and wages	2,045,879	1,975,412
Director remuneration and fees	100,000	100,000
Sundry creditors (Note-16.01)	644,997	2,102,801
M/s Jubair Construction	452,157	365,218
Audit and professional fees	250,000	250,000
M/s Alhaj Supply & Transport	2,651,874	174,583
M/s Khan Associates	419,854	352,187
	7,500,408	6,193,456
16.01 Sundry creditors		
M/s Power Puls Engineering	85,418	-
M/s Zahid Enterprise	63,521	975,418
M/s New China Thai Aluminium Ltd.	-	521,042
M/s Rainbow Printers	353,901	352,154
M/s Transformer & Electric Mfg Co Ltd.	142,157	254,187
	644,997	2,102,801



	Amount in Taka	
	30-06-2016	30-06-2015
17.00 Revenue		
Softening Agent	471,548,769	412,487,593
Scouring Agent	160,521,548	135,215,483
Anti-Foaming Agent	109,215,433	84,102,364
Levelling Agent	138,451,260	115,428,761
Fixing Agent	101,254,012	85,421,687
Stabilizer	194,287,913	165,214,873
Retarding Agent	180,685,428	178,632,048
Bleaching Agent	50,352,105	44,320,658
Others	86,421,578	87,541,563
	<u>1,492,738,046</u>	<u>1,308,365,030</u>
18.00 Cost of sales		
Raw materials consumed-Chemicals (Note-18.01)	1,000,787,965	822,307,660
Packaging materials consumed (Note-18.02)	50,060,531	45,869,354
	<u>1,050,848,496</u>	<u>868,177,014</u>
Add: Work in process- opening	10,635,218	9,204,518
	<u>1,061,483,714</u>	<u>877,381,532</u>
Less: Work in process- closing	10,875,193	10,635,218
Total consumption	<u>1,050,608,521</u>	<u>866,746,314</u>
Add: Manufacturing overhead (Note-18.03)	90,344,381	145,678,748
Cost of production	<u>1,140,952,902</u>	<u>1,012,425,062</u>
Add: Finished goods - opening	98,754,128	85,412,598
	<u>1,239,707,030</u>	<u>1,097,837,660</u>
Less: Finished goods - closing	109,254,125	98,754,128
Change of finished goods stock	<u>1,130,452,905</u>	<u>999,083,532</u>
Less: Cost of free issue	411,956	342,879
	<u>1,130,040,949</u>	<u>998,740,653</u>
18.01 Raw materials consumed-chemicals		
Opening Stock	251,524,187	198,616,971
Add: Purchase during the period	1,016,117,904	875,214,876
Raw materials available for production	<u>1,267,642,091</u>	<u>1,073,831,847</u>
Less: Closing Stock	266,854,126	251,524,187
Consumption during the period	<u>1,000,787,965</u>	<u>822,307,660</u>
18.02 Packaging materials consumed		
Opening Stock	8,121,056	7,845,123
Add: Purchase during the period	47,961,023	46,145,287
Consumable Item available for packing.	<u>56,082,079</u>	<u>53,990,410</u>
Less: Closing Stock	6,021,548	8,121,056
Consumption during the period	<u>50,060,531</u>	<u>45,869,354</u>



	Amount in Taka	
	30-06-2016	30-06-2015
18.03 Manufacturing overhead		
Salaries and wages	21,185,421	20,352,187
Fuel, water and power	22,974,516	18,152,487
Printing and stationary	892,105	996,521
Conveyance expenses	902,451	865,234
Mobile bill	41,256	42,156
Store and spares consumed (Note-6.05)	27,412,051	25,541,096
Rent, rates and taxes	6,985,415	2,548,976
Medical expenses	841,256	952,631
Food and Tiffin	1,421,689	1,263,874
Labor charge	1,506,521	1,425,876
Repair and maintenance (Note-18.3.1)	3,692,263	2,918,206
Carrying Charge	635,219	542,187
Other overhead	1,854,218	2,052,148
Depreciation (Annexure-A)	71,922,604	68,025,169
	<u>90,344,381</u>	<u>145,678,748</u>
18.3.1 Repairs and maintenance		
Plant and Machinery	2,154,287	1,754,289
Buildings	1,025,489	745,163
Others	512,487	418,754
	<u>3,692,263</u>	<u>2,918,206</u>
18.00 Selling and distribution expenses		
Advertisement expenses	254,689	786,100
Salaries and wages	1,552,187	1,254,876
Transportation and handling expenses	3,152,498	2,745,879
Repairs and maintenance	345,217	410,256
Rent	95,248	94,215
Electricity, water and gas	719,543	697,528
Sales promotion expenses	645,124	608,745
Traveling expenses	516,523	456,328
Entertainment expenses	251,026	301,254
Miscellaneous expenses	31,526	27,154
Sample, test and analysis	210,546	301,254
Cost of free issue	411,956	342,879
Depreciation (Annexure-A)	262,066	247,865
	<u>8,448,149</u>	<u>8,274,333</u>



	Amount in Taka	
	30-06-2016	30-06-2015
20.00 Administrative expenses		
Salaries and wages	1,052,648	917,458
Postage and telecommunication	51,248	45,218
Traveling, haulage and passage	518,754	489,754
Repair and maintenance	71,542	65,216
Electricity, fuel and water	396,452	305,217
Printing and stationery	126,524	106,325
Rent, rates and taxes	5,009,705	1,883,226
Subscription and donation	71,526	65,212
Entertainment	65,034	72,415
Legal and professional Charge	63,521	65,214
Other Professional fees	-	500,000
Audit and professional fees	250,000	250,000
Miscellaneous expenses	41,258	673,201
News paper and periodicals	3,549	3,258
AGM Expenses	342,158	321,054
Director remuneration	600,000	600,000
Board meeting attendance fees	62,000	52,000
Depreciation (Annexure-A)	611,488	578,352
	9,337,407	6,993,120
21.00 Employee welfare expenses	689,091	628,579
22.00 Financial expenses		
Interest on Trust Receipt	465,214	181,524
	465,214	181,524
23.00 Other income		
Interest Income	334,741	4,492,722
Sale of wastage	419,124	421,587
	753,865	4,914,309
24.00 Basic earnings per share for the year:		
Earnings from Core Business		
a) Net Profit after Tax excluding Extraordinary Income	343,757,236	293,546,821
b) Weighted average number of shares outstanding (Note-24.01)	136,547,347	109,237,878
Basic Earnings per share (EPS) from core business(a/b)	2.52	2.69
Earnings from Extraordinary Income		
a) Extraordinary Income	753,865	4,914,309
b) Weighted average number of shares outstanding	136,547,347	109,237,878
Basic Earnings per share from from Extraordinary Income (a/b)	0.0055	0.04
Basic earnings per share	2.52	2.73
Basic earnings per share (Restated)	-	2.19



Amount in Taka	
30-06-2016	30-06-2015

24.01 Weighted average number of shares outstanding

For the year 2015

Particulars	Number of Share	Weight	Weighted average no. of Shares
Opening Shares	91,031,565	365/365	91,031,565
Bonus Shares	18,206,313	365/365	18,206,313
Total	109,237,878		109,237,878

For the year 2016

Particulars	Number of Share	Weight	Weighted average no. of Shares
Opening Shares	109,237,878	365/365	109,237,878
Bonus Shares	27,309,469	365/365	27,309,469
Total	136,547,347		136,547,347

25.00 Net Assets Value (NAV) per share

Total Assets	2,320,037,195	1,974,456,995
Less: Total outside liability	46,756,505	45,687,406
a. Net Asset Value	2,273,280,690	1,928,769,589
b. Total number of shares outstanding	136,547,347	109,237,878
Net Assets Value (NAV) per share (a/b)	16.65	17.66
Net Assets Value (NAV) per share (Restated)	-	14.13

26.00 Net operating cash flow per share (NOCFPS)

a) Net Operating Cash Flow (Numerator)	443,585,879	14,463,686
b) No of Shares outstanding	136,547,347	109,237,878
Net operating cash flow per share (NOCFPS) (a/b)	3.25	0.13
Net operating cash flow per share (Restated)	-	0.11



27.00 Related party transactions

During the period, the Company carried out a number of transactions with related parties in the normal course of business. The names of the related parties and nature of these transactions have been set out in accordance with the provision of BAS 24- Related Party Disclosures:

Name of related party	Nature of transaction	Transaction value during the Year	Outstanding balance as at June 30, 2016
M.L. Dyeing Limited	Sale of goods	99,256,219	33,542,108
Total		99,256,219	33,542,108

28.00 Production and product mix

Production capacity per year 11,000,000 Kg and during the year company produces 9,791,874 Kg of different types of Chemicals made up as follows:

Type of Chemicals	Production Qty in Kg	Product Mix
Softening Agent	2,015,427	20.58%
Scouring Agent	654,213	6.68%
Anti-Foaming Agent	765,218	7.81%
Levelling Agent	703,521	7.18%
Fixing Agent	763,521	7.80%
Stabilizer	1,394,516	14.24%
Retarding Agent	1,501,687	15.34%
Bleaching Agent	1,284,576	13.12%
Others	709,195	7.24%
Total	9,791,874	100.00%

28.A Disclosure as per requirement of Schedule XI, part II, note 5 of para 3

Employee Position (as on June 30, 2016)

Salary Range	Officer & Staff	Worker	Total Employee
	Head Office		
Below 5992	5	74	99
Above 5992	12	181	200
Total	17	255	299

28.B Disclosure as per requirement of Schedule XI, part II, para 4 of companies act 1994

Payment to directors within the year of July 1, 2015 to June 30, 2016

Remuneration & Board Meeting attendance Fees: Tk. 662,000

Directors' are entitled Tk. 2,000 as Board Meeting fee for attending each Board Meeting and Remuneration of Managing Director entitled Tk. 50,000 per month. The break down is as follows:

Name of Board of Directors	Designation	Director Remuneration	Meeting attending fees	Total Taka
Mr. Abid Mustafizur Rahman	Chairman	-	12,000	12,000
Mr. Kim Jong Suk	Managing Director	600,000	12,000	612,000
Mr. Rezaur Rahman Rajon	Director	-	10,000	10,000
Mr. Akik Habibuzzaman	Independent Director	-	14,000	14,000
Mr. Faiaz Kader	Director	-	14,000	14,000
Total		600,000	62,000	662,000

29.00 Events after reporting period (BAS-10)

There was no significant event that has been occurred between the statement of financial position date and the date on which the financial statements are authorised for issue.

30.00 Other commitments, contingencies and relevant information

30.01 Quantity wise schedule as required under Para 3, Schedule XI, Part II of the Companies Act, 1994

Quantity wise schedules of sales, raw material consumed and opening and closing stock of finished goods relating to the financial statements for the year ended 30 June, 2016 as required under Para 3, Schedule XI, Part II of the Companies Act 1994 are given below:

Particulars	01-07-2015 to 30-06-2016		01-07-2014 to 30-06-2015	
	Quantity in Kg	Amount in Taka	Quantity in Kg	Amount in Taka
Export Sales	9,750,674	1,492,738,046	8,355,698	1,308,365,030
Total	9,750,674	1,492,738,046	8,355,698	1,308,365,030

30.02 Capital expenditure commitment :

The company has procured land area 113.74 decimal for its second unit at Rupganj, Narayanganj. Land development work is going on to set up second unit.

30.03 Directors' interest in contracts with the company :

There was no transaction resulting in Directors' interest with the Company and no leasing facilities have been made available to the Directors.

30.04 Foreign remittances :

No remittances was made in foreign currency on account of dividend, royalty, technical experts, professional advisor fees, interest, etc.



FAR Chemical Industries Limited
Schedule of Property, Plant and Equipment
For the year ended June 30, 2016

Annexure-A

Particulars	Cost				Rate of depreciation/amortization	Depreciation			Written Down Value as at June 30, 2016
	Balance as on July 01, 2015	Addition during the year	Disposal during the year	Balance as on June 30, 2016		Charged during the year	Adjustment during the year	Balance as on June 30, 2016	
Leasehold land development	34,914,483	-	-	34,914,483	3.33%	1,162,652	-	5,563,570	29,350,913
Land and Land development	5,154,876	239,515,248	-	244,670,124	0.00%	-	-	-	244,670,124
Factory building	233,832,321	89,742,158	-	323,574,479	2.5%	6,444,050	-	27,385,458	296,189,021
Plant and machinery	751,339,988	68,679,106	-	820,019,094	10.00%	51,140,433	-	325,415,645	494,603,449
Electrical installation	53,652,390	7,415,681	-	61,068,071	10.00%	4,099,170	-	20,467,698	40,600,373
Compressor	79,142,375	-	-	79,142,375	10.00%	6,501,319	-	20,630,509	58,511,866
Fork lift	15,562,879	-	-	15,562,879	10.00%	1,184,162	-	4,905,418	10,657,461
Water line installation	16,510,144	-	-	16,510,144	10.00%	1,248,889	-	5,270,143	11,240,001
Office equipment	6,409,713	352,187	-	6,761,900	10.00%	481,706	-	2,250,449	4,511,451
Furniture and Fixture	5,482,183	63,521	-	5,545,704	20.00%	533,777	-	3,378,837	2,166,867
Balance as on June 30, 2016	1,202,001,352	405,767,901	-	1,607,769,253		72,796,158	-	415,267,727	1,192,501,526
Balance as on June 30, 2015	1,073,203,783	128,797,569	-	1,202,001,352		68,851,385	-	342,471,569	859,529,783

Allocation of depreciation

Manufacturing Expenses (Note-18.03)	71,922,604	98.80%
Selling and Distribution Expenses (Note-19.00)	262,066	0.36%
Administrative Expenses (Note-20.00)	611,488	0.84%
	<u>72,796,158</u>	<u>100%</u>

Leasehold land development represents the cost incurred to develop land after being taken over from BEPZA. Soil filling, internal road and boundary wall are the components of this amount. Total area of the factory is 43,065 Sq. ft as per lease agreement and the lease term is for 30 years. Accordingly the leasehold land development cost is being amortized over a period of 30 years on straight line basis.