

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF
FAR CHEMICAL INDUSTRIES LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2015**

AHMAD & AKHTAR

Chartered Accountants

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Branch Office: Dhaka and Chittagong



**AUDITORS' REPORT
TO THE SHAREHOLDERS OF
FAR CHEMICAL INDUSTRIES LIMITED**

We have audited the accompanying financial statements of the FAR Chemical Industries Limited (the company) which comprise the statement of financial position as at June 30, 2015, the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the period then ended and notes, comprising a summary of significant accounting policies and other relevant explanatory notes thereon.

Managements' 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 (BFRS), Bangladesh Accounting Standards (BAS), the Companies Act 1994, the Securities & Exchange Commission Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion 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 about 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 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 the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation 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 of the company along with the notes thereon prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BASs), give a true and fair view of the state of the statement of financial position of the company as at 30 June 2015 and of the results of their financial performance and cash flows for the year then ended and comply with the Companies Act 1994, the Securities & Exchange Commission Rules 1987 and other applicable laws and regulations.

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 the law have been kept by the Company so far as it appeared from our examination of those books;
- the Company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts; and
- the expenditures were incurred for the purpose of the Company's business.

Date: October 06, 2015
Place: Dhaka

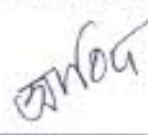


AHMAD & AKHTAR
Chartered Accountants

FAR Chemical Industries Limited
Statement of Financial Position
As at June 30, 2015

	Notes	Amount in Taka	
		30-06-2015	30-06-2014
ASSETS			
Non-current assets			
Property, plant & equipment	4.00	859,529,782	799,583,599
Security deposit	5.00	1,548,471	1,548,471
		<u>861,078,253</u>	<u>801,132,070</u>
Current assets			
Inventories	6.00	374,399,878	304,333,397
Trade and other receivables	7.00	644,292,072	406,101,996
Advances, deposits and prepayments	8.00	51,710,861	43,187,323
STD Account (IPO)	9.00	3,035,000	155,986,104
Cash and cash equivalents	10.00	39,940,930	8,772,753
		<u>1,113,378,741</u>	<u>918,381,573</u>
TOTAL ASSETS		<u>1,974,456,995</u>	<u>1,719,513,642</u>
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	11.00	1,092,378,780	910,315,650
Retained earnings	12.00	836,390,809	719,992,809
		<u>1,928,769,589</u>	<u>1,630,308,459</u>
Current Liabilities			
Trade and other payables	13.00	31,937,074	56,140,265
Short term borrowings	14.00	4,521,876	8,542,157
Share Money Deposits (IPO)	15.00	3,035,000	6,282,239
Creditors and Accrues	16.00	6,193,456	18,240,522
		<u>45,687,406</u>	<u>89,205,183</u>
TOTAL EQUITY AND LIABILITIES		<u>1,974,456,995</u>	<u>1,719,513,642</u>
Net Assets Value (NAV) per share	24.00	<u>17.66</u>	<u>17.91</u>

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


Chairman


Managing Director


Chief Financial Officer

As per our annexed report of even date

Dated: October 06, 2015
Place: Dhaka


AHMAD & AKHTAR
Chartered Accountants

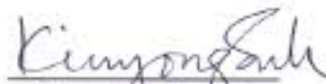


FAR Chemical Industries Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2015

	Notes	Amount in Taka	
		30-06-2015	30-06-2014
Revenue	17.00	1,308,365,030	1,198,194,039
Cost of sales	18.00	998,740,653	915,210,597
Gross profit		309,624,377	282,983,442
Operating expenses			
Selling and distribution expenses	19.00	8,274,333	6,276,711
Administrative expenses	20.00	6,993,121	38,454,160
Employee Welfare expenses	21.00	628,579	614,080
		15,896,033	45,344,951
Profit from operation		293,728,345	237,638,491
Financial expenses	22.00	181,524	658,176
		293,546,821	236,980,315
Other income	23.00	4,914,309	44,730,870
Profit before tax		298,461,130	281,711,185
Income tax expenses		-	-
Profit after tax		298,461,130	281,711,185
Other Comprehensive Income			
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		298,461,130	281,711,185
Earnings per share (EPS)			
Basic earnings per share	25.00	2.73	3.45
Restated Basic EPS	25.00	2.73	2.58

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


Chairman


Managing Director


Chief Financial Officer

As per our annexed report of even date

Dated: October 06, 2015
Place: Dhaka



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Chartered Accountants



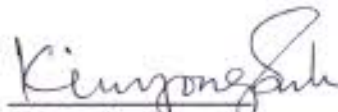
FAR Chemical Industries Limited
Statement of Cash Flows
For the year ended June 30, 2015

	Note	Amount in Taka	
		30-06-2015	30-06-2014
A. Cash flows from operating activities:			
Receipt from customers		1,070,174,954	1,162,415,040
Receipt from other income		4,914,309	44,730,870
Payment for cost of expenses		(1,033,508,694)	(984,889,528)
Payment for operating expenses		(27,116,882)	(32,298,718)
Payment for employee welfare expenses		-	(614,080)
Net cash from operating activities		14,463,687	189,343,584
B. Cash flows from investing activities:			
Acquisition of property, plant and equipment		(128,797,569)	(156,183,709)
Increase/(Decrease) in STD Account		152,951,104	(155,986,104)
Net cash used in investing activities		24,153,535	(312,169,813)
C. Cash flows from financing activities:			
Receipt/(Payment) against short term loan		(4,020,281)	(3,682,939)
Increase in Share Capital		-	120,000,000
Increase/(Decrease) in Share Money Deposit		(3,247,239)	6,282,239
Payment of financial expenses		(181,524)	(658,176)
Net Cash used in financing activities		(7,449,044)	121,941,124
D. Net increase in cash and cash equivalents (A+B+C)		31,168,178	(885,105)
E. Opening cash and cash equivalents		8,772,753	9,657,858
F. Closing cash and cash equivalents (D+E)		39,940,930	8,772,753
Net Operating Cash Flow Per Share (NOCFPS)	26.00	0.13	2.08

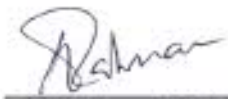
The annexed notes form an integral part of these financial statements.



Chairman



Managing Director



Chief Financial Officer

As per our annexed report of even date

Dated: October 06, 2015
Place: Dhaka



AHMAD & AKHTAR
Chartered Accountants



FAR Chemical Industries Limited
Statement of Changes in Equity
As at June 30, 2015

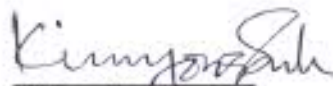
Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance at July 01, 2014	910,315,650	719,992,809	1,630,308,459
Add/Less: Bonus issue for the year 30 June, 2014	182,063,130	(182,063,130)	-
Add: Profit during the year	-	298,461,130	298,461,130
Balance as at 30 June 2015	1,092,378,780	836,390,809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

FAR Chemical Industries Limited
Statement of Changes in Equity
As at June 30, 2014

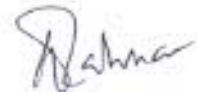
Particulars	Share capital Taka	Retained earnings Taka	Total Taka
Balance at July 01, 2013	790,315,650	438,281,624	1,228,597,274
Add: IPO Share issue	120,000,000	-	120,000,000
Add: Profit during the year	-	281,711,185	281,711,185
Balance as at 30 June 2014	910,315,650	719,992,809	1,630,308,459



Chairman



Managing Director



Chief Financial Officer

As per our annexed report of even date

Dated: October 06, 2015
Place: Dhaka


AHMAD & AKHTAR
Chartered Accountants



FAR Chemical Industries Limited
Notes, Comprising a Summary of Significant Accounting
Policies and Other Explanatory Information
For the financial year ended June 30, 2015

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 with its Corporate office at M.L Tower, DIT Road, 1 East Rampura, Dhaka-1219 and Registered office & factory is situated at Plot # 135-136 in CEPZ, Comilla Export Processing Zone, Comilla, Bangladesh. 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 Chemicals products to different export oriented Textiles, Dyeing and Apparels. Some of the Principal products and services are:

- Softening agent;
- Scouring Agent;
- Anti-Foaming Agent;
- Leveling Agent;
- Fixing Agent;
- Stabilizer;
- Retarding Agent; and
- Bleaching Agent.

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 Limited 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 BASs/BFRSs, required 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 amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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-payment
- Note: 13 Trade Payable

2.07 Reporting Period

The financial period of the companies covers one year from 1 July 2014 to 30 June 2015 and is followed consistently.

2.08 Statement of Cash Flows

Statement of cash flows is prepared in accordance with "BAS 7: Statement of Cash Flow" 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 3.16.
- 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:

Sl. No.	Name of the Bangladesh Accounting Standards (BAS)	BAS's no.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Cash Flow Statements	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	Segment Reporting	14
9	Property, Plant and Equipment	16
10	Leases	17
11	Revenue	18
12	Employees Benefits	19
13	Accounting for Government Grants & Disclosure of Government Assistance	20
14	The Effects of Changes in Foreign Exchange Rates	21
15	Borrowing Costs	23
16	Related Party Disclosures	24
17	Accounting for Investment	25
18	Accounting and Reporting by Retirement Benefit Plans	26
19	Consolidated and Separate Financial Statements	27
20	Investment in Associates	28
21	Disclosures in the Financial Statements of Banks and similar Financial Institutions (supersedes by BFRS-7)	30
22	Interest in Joint Ventures	31
23	Financial Instruments: Presentation	32
24	Earnings Per Share	33
25	Interim Financial Reporting	34
26	Impairment of Assets	36
27	Provision, Contingent Liabilities and Contingent Assets	37
28	Intangible Assets	38
29	Financial Instruments: Recognition & Measurement	39
30	Investment Property	40
31	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

3.1 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 on current year addition is charge from date of utilization and when the assets are available for use. No depreciation is charged in the year of disposal at all.

The rates of depreciation of assets considering their useful lives are as follows:

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



3.2 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 30 June, 2015
- ii. Statement of profit or loss and other comprehensive income for the financial year 30 June, 2015
- iii. Statements of cash flows for the financial year 30 June, 2015
- iv. Statement of changes in equity for the financial year 30 June, 2015
- v. Notes, comprising a summary of significant accounting policies and other explanatory information for the financial year 30 June, 2015

3.3 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.

3.4 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 and 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.

3.5 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 Bangladeshi Taka at the exchange rate ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to Statement of profit or loss and other comprehensive income for the respective period.

3.6 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.

3.7 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 costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

3.08 Taxation

3.08.1 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.

3.08.2 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 period recognized in the current period "BAS 12: Income Tax".

Since the income of the company is exempted from tax. So the calculation of deferred tax is 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 if 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 dividends, 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 ordinary shares outstanding during the year.

Diluted Earnings Per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average 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 "BAS 14: Segment Reporting" as the company operates in a single industry segment and within a single 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 when materials.

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 authorized for issue.

3.14 Worker's Profit Participation & Welfare Funds

Accordance with the requirement of section 234 of labour Act. 2006, the company should contributed 5% of net profit before charging the amount to the aforementioned fund. But the company established in Comilla Export Processing Zone and the always comply only BEPZA rules relating to services matter concerning workers and officers employed in the company operating in the Export Processing Zone of Bangladesh, which imposed by BEPZA. There is no provision for workers' participation fund in Company's profits at 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 Expense" which presented in the statement of profit or loss and other comprehensive income.

3.15 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 other 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 counterparties 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. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The breakup of 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	644,292,072
Less: Related Parties	75,396,876
Net due from customer	<u>568,895,196</u>

Out of the total trade debts of Tk.644,292,072, the Company has not made any provision. The aging profile of trade debts overdue is as follows:

Time duration	Gross Amount	Impairment
Upto 6 Month	644,292,072	-
Over 6 Month	-	-
	644,292,072	-

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 and other payable	31,937,074	-	31,937,074	31,937,074	-
Short term borrowing	4,521,876	4,521,876	-	-	-
	36,458,950	4,521,876	31,937,074	31,937,074	-

Fair Values

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, differences may arise between the carrying value and the fair value estimates. As at 30 June 2015 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.



3.16 Date of Authorization

These financial statements were authorized for issue on 06 October 2015 by the Board of Directors of the Company.

3.17 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 year 2014 have been rearranged wherever considered necessary to ensure comparability with the current year.



		Amount in Taka	
		30-06-2015	30-06-2014
4.00	Property, plant & equipment		
	At cost		
	Opening balance	1,073,203,783	917,020,074
	Addition during the year	128,797,569	156,183,709
		1,202,001,352	1,073,203,783
	Accumulated depreciation		
	Opening balance	273,620,184	212,044,345
	Charged during the year	68,851,385	61,575,839
		342,471,569	273,620,184
	Written down value as on June 30	859,529,783	799,583,599
	The details of the above is given in Annexure-A		
	Note: Addition of land and land development includes:		
	Deed value of land (27 Decimal of land at 1st phase out of 200 Decimal)	4,115,000	-
	Registration and other cost	576,100	-
	Land Development Cost	463,776	-
	Total	5,154,876	-
	Description of land: Registered Deed of Agreement no. 5245, Dag No. CS & SA 290,294 (RS 873) , GL No: CS 147, SA 147, RS 181; CS Khatian No.57, SA Khatian No.137, RS Khatian No.214, Mouza: Bhulta, Union: Bhulta, Thana: Rugganj, Dist: Narayagonj.		
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	251,524,187	198,616,971
	Work-in-process 6.02	10,635,218	9,204,518
	Packaging materials 6.03	8,121,056	7,845,123
	Finished goods 6.04	98,754,128	85,412,598
	Store items 6.05	5,365,289	3,254,187
		374,399,878	304,333,397
6.01	Raw materials		
	Opening stock	198,616,971	180,913,527
	Add: Purchase during the year	875,214,876	835,105,258
	Raw materials available for production	1,073,831,847	1,016,018,785
	Less: Input to production	822,307,660	817,401,814
		251,524,187	198,616,971
6.02	Work-in-process		
	Opening work-in-process	9,204,518	9,712,548
	Add: Current year	868,177,014	860,266,664
		877,381,532	869,979,212
	Less: Transfer to finished goods	866,746,314	860,774,694
		10,635,218	9,204,518

		Amount in Taka	
		30-06-2015	30-06-2014
6.03	Packaging materials		
	Opening stock	7,845,123	6,584,275
	Add: Purchase during the year	46,145,287	44,125,698
		<u>53,990,410</u>	<u>50,709,973</u>
	Less: Consumption during the y	45,869,354	42,864,850
		<u>8,121,056</u>	<u>7,845,123</u>
6.04	Finished goods		
	Opening stock	85,412,598	4,099,847
	Add: Production during the year	1,012,425,062	996,974,616
	Less: Cost of free issue	(342,879)	(451,268)
	Production available for export	<u>1,097,494,781</u>	<u>1,000,623,195</u>
	Less: Cost of goods sold	998,740,653	915,210,597
		<u>98,754,128</u>	<u>85,412,598</u>
6.05	Store items		
	Opening stock	3,254,187	2,548,763
	Add: Purchase during the year	27,652,198	26,350,484
		<u>30,906,385</u>	<u>28,899,247</u>
	Less: Consumption during the year	25,541,096	25,645,060
		<u>5,365,289</u>	<u>3,254,187</u>
	Details shown in Annexure-B		
7.00	Trade and others receivables		
	Export Bill Receivables	644,292,072	406,101,996
		<u>644,292,072</u>	<u>406,101,996</u>
7.01	Export bills receivables		
	M.L Dyeing limited	75,396,876	3,268,541
	Asif Fabrics Ltd	18,542,968	5,684,521
	Shovon Dyeing Ltd	16,325,417	659,874
	D.S Fashion Ltd	4,521,963	2,102,656
	Javed Apparels Ltd	26,032,153	29,854,128
	Knit zone Ltd	21,541,287	12,548,736
	Liz Fashion Ind. Ltd	9,652,343	6,325,425
	Radial International Ltd	22,104,256	854,877
	Advance Tex Ltd	48,745,693	35,248,762
	Rita Fabrics Ltd	35,210,356	32,523,659
	Glare Knitting Ltd	18,754,126	8,240,576
	Sea Blue Textile Ltd	33,255,487	15,412,896
	Paragon Composite Ltd	31,281,908	6,325,487
	Trust Knitwear Ltd	5,421,870	2,159,860
	Knit Fabrics Ltd	15,632,416	23,256,827
	Interstoff apparels Ltd	5,218,756	24,511,206
	Southeast Fabrics Ltd	52,154,836	9,565,205
	Matrix Textiles Ltd	9,652,103	2,839,505
	S.M Knitwears Ltd	6,521,547	6,325,402
	Stress Dress Ltd	35,231,474	25,457,410
	Eon Knit Apparels Ltd	5,203,165	8,545,218
	Dird Composite Tex. Ltd.	37,891,814	37,652,158
	Sabah Knitting Ltd	16,523,154	22,632,054
	Sardar Textiles Ltd	21,275,705	26,874,523
	Base Knitting Ltd	23,521,026	18,465,535
	Trams Apparels Ltd	9,856,263	1,592,881
	Abdul Hai Knit Wears	3,410,145	23,521,587
	Life Knitting Ltd	35,412,965	13,652,487
		<u>644,292,072</u>	<u>406,101,996</u>

Amount in Taka	
30-06-2015	30-06-2014
Receivables due over six months	-
Receivables due below six months	406,101,996
644,292,072	406,101,996

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	Amount in Taka	
	30-06-2015	30-06-2014
Receivables considered good in respect of which the company is fully secured	644,292,072	406,101,996
Receivables considered good in respect of which the company holds no security other than the debtor personal security	-	-
Receivables considered doubtful or bad	-	-
Receivables due by common management	75,396,876	3,268,541
The maximum amount of receivable due by any director or other officer of the company	-	-

8.00 Advances, deposits and prepayments

Sundry Advances	8.01	36,498,866	28,516,812
Advance Salary		1,120,000	1,120,000
M/S. Mukta Bricks Field		-	-
M/S. Abul Khair Steel		1,254,871	5,254,871
Advance Income Tax (AIT)		7,204,576	6,663,092
M/S. Sattar Enterprise		5,632,548	1,632,548
		51,710,861	43,187,323

8.01 Sundry Advances

Mr. MA Bari	750,000	215,482
Mr. Uttam Kumar	875,416	352,174
M/S. Gazi Enterprise	421,587	632,548
M/S. Omer Electrical Engineering Works	4,215,487	12,652,147
Md. Abul Khair Manik	1,854,217	32,546
M/S. United Trade Center Ltd.	4,000,067	84,751
M/S. Bangla Trac Ltd.	8,813,521	-
M/S. L/N Enterprise	7,842,150	325,412
M/S. Creative Design and Development	1,254,187	321,110
M/S. Tropical Vertical Mover	1,820,128	635,871
M/S. Denmark Refrigeration Workes	4,652,106	13,264,771
	36,498,866	28,516,812

9.00 STD Account

STD Accounts (BRAC Bank)	3,035,000	155,986,104
	3,035,000	155,986,104

	Amount in Taka	
	30-06-2015	30-06-2014
10.00 Cash and Cash Equivalent		
Cash in hand - Head Office	4,721,054	1,254,876
Cash in hand - Factory	3,941,876	2,635,487
Cash at bank:		
Al-Arafa Islami Bank Ltd	18,925	19,625
Social Islami Bank Limited (A/C No-21330054628)	31,252,672	4,854,218
Bank Asia Limited (A/C No-733003885)	6,403	8,547
	39,940,930	8,772,753

11.00 Share Capital:

11.01 Authorized share capital :

131,000,000 ordinary shares of Taka 10/- each.

1,310,000,000 **1,310,000,000**

11.02 Issued, subscribed and paid-up capital:

10,92,37,878 Ordinary Shares of Tk. 10/- each fully paid-up against cash

1,092,378,780 **910,315,650**

The shareholding position of the company are as under:

Name	No of shares	Percentages (%)	Amount in Tk
Abid Mustafizur Rahman	5,025,000	4.60%	50,250,000
Faiaz Kader	10,416,615	9.54%	104,166,150
Kim Jong Suk	22,005,000	20.14%	220,050,000
Rezaur Rahaman Rajaon	5,225,000	4.78%	52,250,000
Other Shareholder	36,359,950	33.29%	363,599,500
General Shareholder (IPO)	30,206,313	27.65%	302,063,130
Total	109,237,878	100.00%	1,092,378,780

11.03 Classification of shareholders by holdings:

The composition of shareholders at June 30, 2015.

Ranges of Shareholdings	No. of Holder	Total holding %
Less than or equal to 500 Shares	1,935	28.01%
501 to 1,000 Shares	1,832	26.52%
1,001 to 5,000 Shares	2,015	29.16%
5,001 to 10,000 Shares	512	7.41%
10,001 to 20,000 Shares	309	4.47%
20,001 to 30,000 Shares	100	1.45%
30,001 to 40,000 Shares	60	0.87%
40,001 to 50,000 Shares	31	0.45%
50,001 to 100,000 Shares	60	0.87%
100,001 to 1,000,000 Shares	42	0.61%
Over 1,000,000 Shares	13	0.19%
Total	6,909	100.00%



Amount in Taka	
30-06-2015	30-06-2014

12.00 Retained earnings

Opening balance	719,992,809	438,281,624
Less: Stock Dividend	182,063,130	-
	<u>537,929,679</u>	<u>438,281,624</u>
Add: Profit during the year	298,461,130	281,711,185
	<u>836,390,809</u>	<u>719,992,809</u>

13.00 Trade and other payable

Suzhon Dashan IOE	12,548,766	5,215,487
CJTECH Co Ltd	5,214,873	6,352,748
Shandong Senjie Chemical Co Ltd	-	2,012,485
SFC Co Ltd	-	524,879
Guangxi Mingli Group Co. Ltd	-	6,523,845
Paban Dyeing Ltd	-	2,458,765
Swedor Tech AB	-	524,879
SBC Co Ltd	8,541,278	16,842,688
Chemitact	-	7,452,189
J & C Industry	-	1,056,870
OCI Corporation	5,632,157	4,521,560
Double Sun	-	2,653,870
	<u>31,937,074</u>	<u>56,140,265</u>

14.00 Short term borrowings

Trust Receipt (Note-14.1)	4,521,876	8,542,157
	<u>4,521,876</u>	<u>8,542,157</u>

14.01 The Social Islami Bank Limited (SIBL) sanctioned a composite working capital limit for Tk 45.00 crore to make stock of raw materials, work-in-process and finished goods in the form of:

- a) L/C limit for Tk 35.00 crore
- b) Trust receipt (TR) for Tk 5.00 crore and
- c) Bai-Muazzal Commercial for Tk 5.00 crore

Terms and Conditions :

- a) Rate of interest 14.50% per annum
- b) Validity upto 23.04.2016 and can be renewable yearly.

15.00 Share Money Deposits (IPO)

Opening balance	6,282,239	-
Add: Addition during the year	-	6,282,239
Less: Refund during the year	3,247,239	-
Share Money Deposits	<u>3,035,000</u>	<u>6,282,239</u>

		Amount in Taka	
		30-06-2015	30-06-2014
16.00	Creditors and accrues		
	Electricity bill	96,521	75,421
	Water bill	754,186	532,547
	Medical subscription-BEPZA	22,548	22,548
	Salaries and wages	1,975,412	1,925,487
	Director remuneration and fees	100,000	100,000
	Sundry creditors	2,102,801	14,637,055
	M/s Jubair Construction	365,218	169,524
	Audit and professional fees	250,000	250,000
	M/s Saif Powertech Ltd	-	124,518
	M/s Alhaj Supply & Transport	174,583	215,876
	M/s Bright Sheet	-	-
	M/s Khan Associates	352,187	187,546
		6,193,456	18,240,522
16.01	Sundry creditors		
	M/s Power Puls Engineering	-	165,241
	M/s Pacific Associates	-	365,287
	M/s Zahid Enterprise	975,418	74,518
	M/s New China Thai Aluminium Ltd.	521,042	632,058
	M/s Rainbow Printers	352,154	201,387
	M/s. SATCOMIT Ltd	-	13,000,000
	M/s Transformer & Electric Mfg Co Ltd.	254,187	198,564
		2,102,801	14,637,055
17.00	Revenue		
	Softening Agent	412,487,593	352,941,208
	Scouring Agent	135,215,483	121,102,367
	Anti-Foaming Agent	84,102,364	95,541,876
	Levelling Agent	115,428,761	120,365,248
	Fixing Agent	85,421,687	95,248,731
	Stabilizer	165,214,873	152,487,692
	Retarding Agent	178,632,048	150,548,762
	Bleaching Agent	44,320,658	42,105,986
	Others	87,541,563	67,852,169
		1,308,365,030	1,198,194,039
18.00	Cost of sales		
	Raw materials consumed-Chem	822,307,660	817,401,814
	Packaging materials consumed	45,869,354	42,864,850
		868,177,014	860,266,664
	Add: Work in process- opening	9,204,518	9,712,548
		877,381,532	869,979,212
	Less: Work in process- closing	10,635,218	9,204,518
	Total consumption	866,746,314	860,774,694
	Add: Manufacturing overhead	145,678,748	136,199,922
	Cost of production	1,012,425,062	996,974,616
	Add: Finished goods - opening	85,412,598	4,099,847
		1,097,837,660	1,001,074,463
	Less: Finished goods - closing	98,754,128	85,412,598
	Change of finished goods stock	999,083,532	915,661,865
	Less: Cost of free issue	342,879	451,268
	Total cost of sales	998,740,653	915,210,597

		Amount in Taka	
		30-06-2015	30-06-2014
18.01	Raw materials consumed-chemicals		
	Opening Stock	198,616,971	180,913,527
	Add: Purchase during the period	875,214,876	835,105,258
	Raw materials available for production	1,073,831,847	1,016,018,785
	Less: Closing Stock	251,524,187	198,616,971
	Consumption during the period	822,307,660	817,401,814
18.02	Packaging materials consumed		
	Opening Stock	7,845,123	6,584,275
	Add: Purchase during the period	46,145,287	44,125,698
	Consumable Item available for packing	53,990,410	50,709,973
	Less: Closing Stock	8,121,056	7,845,123
	Consumption during the period	45,869,354	42,864,850
18.03	Manufacturing overhead		
	Salaries and wages	20,352,187	19,452,187
	Fuel, water and power	18,152,487	17,541,865
	Printing and stationary	996,521	975,416
	Conveyance expenses	865,234	716,521
	Mobile bill	42,156	36,521
	Store and spares consumed	25,541,096	25,645,060
	Rent, rates and taxes	2,548,976	2,421,568
	Medical expenses	952,631	716,859
	Food and Tiffin	1,263,874	918,745
	Labor charge	1,425,876	1,254,063
	Repair and maintenance	2,918,206	2,946,804
	Carrying Charge	542,187	315,489
	Other overhead	2,052,148	2,421,895
	Depreciation	68,025,169	60,836,929
		145,678,748	136,199,922
18.03.1	Repairs and maintenance		
	Plant and Machinery	1,754,289	1,952,487
	Buildings	745,163	652,130
	Others	418,754	342,187
		2,918,206	2,946,804
19.00	Selling and distribution expenses		
	Advertisement expenses	786,100	81,648
	Salaries and wages	1,254,876	952,487
	Transportation and handling expenses	2,745,879	2,485,473
	Repairs and maintenance	410,256	350,124
	Rent	94,215	92,540
	Electricity, water and gas	697,528	66,287
	Sales promotion expenses	608,745	588,097
	Traveling expenses	456,328	423,652
	Entertainment expenses	301,254	274,516
	Miscellaneous expenses	27,154	32,659
	Sample, test and analysis	301,254	256,287
	Cost of free issue	342,879	451,268
	Depreciation	247,865	221,673
		8,274,333	6,276,711

		Amount in Taka	
		30-06-2015	30-06-2014
20.00	Administrative expenses		
	Salaries and wages	917,458	805,346
	Postage and telecommunication	45,218	39,524
	Traveling, haulage and passage	489,754	432,476
	Repair and maintenance	65,216	61,845
	Electricity, fuel and water	305,217	279,560
	Printing and stationery	106,325	95,426
	Rent, rates and taxes	1,883,226	55,248
	Subscription and donation	65,213	75,412
	Entertainment	72,415	60,352
	Legal and professional Charge	65,214	63,548
	Audit fees	250,000	250,000
	Other professional fees	500,000	-
	Miscellaneous expenses	673,201	32,659
	News paper and periodicals	3,258	3,108
	AGM Expenses	321,054	-
	IPO Expenses	-	35,034,419
	Director remuneration	600,000	600,000
	Board meeting attendance fees	52,000	48,000
	Depreciation	578,352	517,237
		<u>6,993,121</u>	<u>38,454,160</u>
20.01	IPO (initial public offer) expenses		
	Manager to the Issue Fees	-	2,000,000
	BSEC application & Consent Fees	-	190,000
	DSE & CSE application & Annual Fees	-	205,000
	DSE & CSE listing Fees	-	2,930,947
	Underwriting Commission	-	300,000
	Bankers to the Issue Commission	-	8,447,385
	CDBL Fees and Expenses	-	767,805
	Printing, Publications, lottery & Distribution	-	1,193,282
	Post Issue Management Fees	-	19,000,000
		<u>-</u>	<u>35,034,419</u>
21.00	Employee welfare expenses		
	Student Stipend	332,058	326,531
	Medical Fees	296,521	287,549
		<u>628,579</u>	<u>614,080</u>
22.00	Financial expenses		
	Interest on Trust Receipt	181,524	452,487
	Interest on Bai-Moazzel Commercial	-	205,689
		<u>181,524</u>	<u>658,176</u>
23.00	Other income		
	Interest Income	4,492,722	44,420,614
	Sale of wastage	421,587	310,256
		<u>4,914,309</u>	<u>44,730,870</u>

		Amount in Taka	
		30-06-2015	30-06-2014
24.00	Net Assets Value (NAV) per share		
	Total Assets	1,974,456,995	1,719,513,640
	Total Liability	45,687,406	89,205,183
	A. Net Assets	1,928,769,589	1,630,308,459
	B. Total Number of Share during the year	109,237,878	91,031,565
	Net Assets Value (NAV) per share (A/B)	17.66	17.91
25.00	Basic earnings per share for the year:		
	Earnings from Core Business		
	a) Net Profit after Tax	293,546,821	236,980,315
	b) Weighted average number of shares outstanding	109,237,878	81,694,579
	Basic Earnings per share (EPS) from core business(a/b)	2.69	2.90
	Earnings from Extra ordinary Income		
	a) Extraordinary Income after Tax	4,914,309	44,730,870
	b) Weighted average number of shares outstanding	109,237,878	81,694,579
	Basic EPS from Extra ordinary Income (a/b)	0.04	0.55
	Basic earnings per share	2.73	3.45

**25.01 Weighted average number of shares outstanding
For the year 2014**

Particulars	Number of Share	Weight	Weighted average no of Shares
Opening Shares	79,031,565	365/365.	79,031,565
IPO Shares	12,000,000	81/365.	2,663,014
Total	91,031,565		81,694,579

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

26.00 Net operating cash flow per share (NOCFPS)

a) Net Operating Cash Flow (Numerator)	14,463,687
b) No of Shares outstanding	109,237,878
Net operating cash flow per share (NOCFPS) (a/b)	0.13

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:

Name of related party	Relationship	Nature of transaction	Transaction value during the Year	Outstanding balance as at June 30, 2015
M.L. Dyeing Limited	Common Director	Sale of goods	145,396,876	75,396,876

28.00 Production and product mix

Production capacity per year 11,000,000 Kg and during the year company produces 8,403,845 Kg of different types of Chemicals made up as follows:

Type of Chemicals	Production Qty in Kg	Product Mix
Softening Agent	1,852,140	22.04%
Scouring Agent	601,246	7.15%
Anti-Foaming Agent	703,204	8.37%
Levelling Agent	643,521	7.66%
Fixing Agent	705,136	8.39%
Stabilizer	1,197,526	14.25%
Retarding Agent	1,306,172	15.54%
Bleaching Agent	1,026,351	12.21%
Others	368,549	4.39%
Total	8,403,845	100.00%

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

Employee Position (as on June 30, 2015)

Salary Range	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Below 5992	21	5	98	124
Above 5992	7	12	151	170
Total	28	17	249	294

29.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, 2014 to June 30, 2015

Board Meeting attendance Fees: Tk.52,000

Directors' are entitled Tk 2,000 as Board Meeting fee for attending each Board Meeting as per Articles of Association. The break down is as follows:

Name of Board of Directors	Designation	Meeting attending fees	Amount in Taka
Mr. Abid Mustafizur Rahman	Chairman	8,000	8,000
Mr. Kim Jung Suk	Managing Director	10,000	10,000
Mr. Rezaur Rahaman Rajaon	Director	8,000	8,000
Mr. Lee Jong Kook	Director	2,000	2,000
Mr. Akik Habibuzzaman	Independent Director	12,000	12,000
Mr. Faiyaz Kader	Director	12,000	12,000
Total			52,000

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 relating to the financial statements for the year ended 30 June 2015 as required under Para 3, Schedule XI, Part II of the Companies Act 1994 are given below:

Particulars	01-07-2014 to 30-06-2015		01-07-2013 to 30-06-2014	
	Quantity in Kg	Amount in Taka	Quantity in Kg	Amount in Taka
Export Sales	8,355,698	1,308,365,030	7,652,106	1,198,194,039
Total	8,355,698	1,308,365,030	7,652,106	1,198,194,039

30.02 Capital expenditure commitment :

There was no capital expenditure commitment or contract at 30 June 2015. There was no material capital expenditure authorized by the Board but not contracted for at 30 June 2015, other than expansion by IPO Fund.

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 financial year ended 30 June 2015

Annexure-A

Particulars	Cost			Rate of depreciation/ amortization	Depreciation			Written Down Value as at June 30, 2015
	Balance as on July 01, 2014	Addition during the year	Balance as on June 30, 2015		Balance as on July 01, 2014	Charged during the year	Balance as on June 30, 2015	
Leasehold land development	34,788,996	125,487	34,914,483	3.33%	3,238,266	1,162,652	4,400,918	30,513,565
Land and Land development	-	5,154,876	5,154,876	0.00%	-	-	-	5,154,876
Factory building	214,087,105	19,745,216	233,832,321	2.5%	15,735,811	5,205,598	20,941,408	212,890,913
Plant and machinery	652,918,440	98,421,548	751,339,988	10.00%	226,735,878	47,539,334	274,275,212	477,064,776
Electrical installation	49,010,803	4,641,587	53,652,390	10.00%	12,483,743	3,884,785	16,368,528	37,283,862
Compressor	78,790,191	352,184	79,142,375	10.00%	6,925,069	7,204,121	14,129,190	65,013,185
Fork lift	15,562,879	-	15,562,879	10.00%	2,405,520	1,315,736	3,721,256	11,841,623
Water line installation	16,295,081	215,063	16,510,144	10.00%	2,645,548	1,375,706	4,021,254	12,488,890
Office equipment	6,320,292	89,421	6,409,713	10.00%	1,258,048	510,695	1,768,743	4,640,970
Furniture and Fixture	5,429,996	52,187	5,482,183	20.00%	2,192,303	652,757	2,845,060	2,637,123
Balance as on 30 June 2015	1,073,203,783	128,797,569	1,202,001,352		273,620,184	68,851,385	342,471,570	859,529,782
Balance as on 30 June 2014	917,020,074	156,183,709	1,073,203,783		212,044,345	61,575,839	273,620,184	799,583,599

Allocation of depreciation

Manufacturing overhead (Note-18.03)	98.80%	68,025,169
Selling and Distribution Expenses (Note-19.00)	0.36%	247,865
Administrative Expenses (Note-20.00)	0.84%	578,352
	100%	68,851,385

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.



FAR Chemical Industries Limited
Name of Store Item

Annexure-B

The significant items of Stores are presented below:

Acid proof Breaks	Belcher	Gate Bulbe
Acid proof Pumps	Acid Proff Gaskit	Acide Proof
Pipe-MS & SS	Cement	Nut-bolt- MS & SS
Pipe- PVS	P.H. Paper	G.I Hook/Clam
Welding Rod- MS & SS	Paint, Thinner and Brush	Scale
Plane Sheet- MS & SS	Pop Poly	Cable
Eangle Channel- MS	Rope	E. Bulb
VIM- MS	Gumboot	Hand Globs
Geskate- Robber	Emery Papers	Motors
Cutting Dish	Cap	Bearing
Drill Beat	Filter	Tape
Capacitor	Circuit Bracker	Grinding Lihue
Hacks Blade	Dress	Tube Light
Magnatic Contact	Generator & Spare Parts	Potacium Cilicate